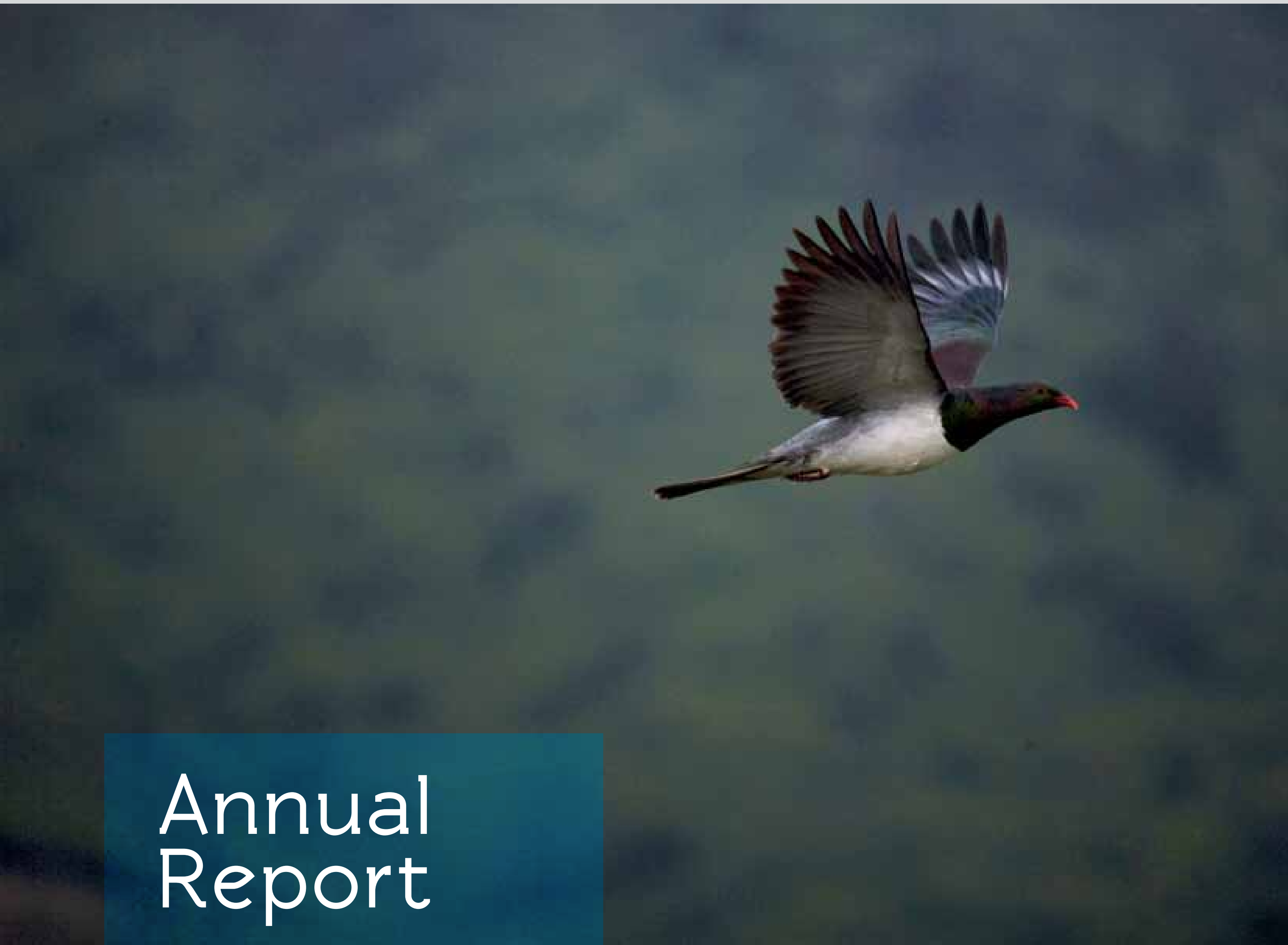
RANGATIRA
INVESTMENTS



Annual Report

2020

www.rangatira.co.nz

RANGATIRA
INVESTMENTS

ANNUAL MEETING of SHAREHOLDERS

Monday 27th July at 4.30pm

KPMG
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10 Customhouse Quay
Wellington

COMPANY

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FRONT COVER IMAGE COURTESY OF NGA MANU IMAGES

Rangatira has a rich and productive history of investing in leading New Zealand companies. With a permanent asset base, we invest for the long-term alongside business owners to build superior companies and brands.

Our aim is to partner with the best business leaders to grow New Zealand companies to generate dividend income and asset growth for our partners and shareholders.

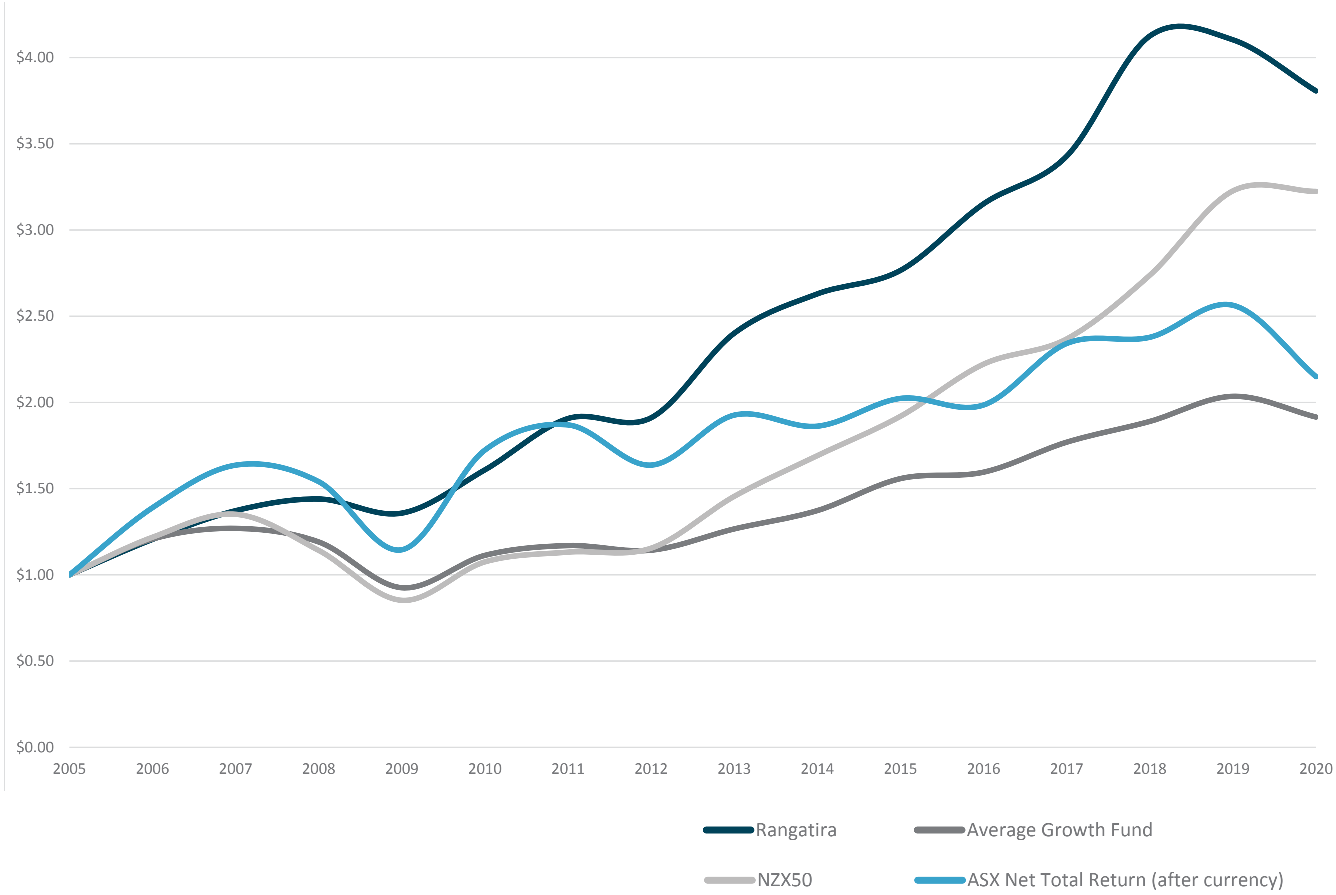
Founded in 1937 by Sir John Robert (J R) McKenzie Rangatira's initial holding was a majority interest in the McKenzie department store. The company was set up in a way that enabled its shares to be gifted to a series of charitable trusts, who now form the majority of our shareholders.

Throughout its 83-year history, Rangatira has been a key investor during the formative stages of many iconic New Zealand companies and we continue our commitment to working with and investing in New Zealand businesses as we look to the future.

INVESTING IN NEW ZEALAND'S FUTURE

AT A GLANCE

VALUE OF $1 INVESTED OVER THE LAST 15 YEARS



CHAIRMAN AND CEO'S REPORT

Rangatira Investments is well positioned for the future following a challenging year

David Pilkington - Chair

Mark Dossor
Chief Executive Officer

The FY20 result has been characterised by the impacts of Covid-19 in the last quarter. Before Covid-19 we were seeing steady progress across the portfolio companies, good returns from our listed stocks and better than expected cash returns.

In March we witnessed one of the sharpest market declines in history, magnified by the fact that the cause was not something the current population had witnessed before. Many comparisons were made to the SARS pandemic, but it was really only the Spanish Flu that provided insight into what would play out both in terms of market reaction and government response. Needless to say the timing of our year end has not helped, as we were assessing our director valuations in the midst of the lockdown when the markets were most depressed.

At 31 March Rangatira's portfolio had a total shareholder return of -6.7% for the year, compared to the NZX50 of -1% and the Average growth Fund return of -6%. The portfolio return was impacted by the reduction in the assessed values of our private investments which accounted for all the drop in value.

Since year end, significant efforts have gone into stabilising and supporting our portfolio companies and their management to best navigate through the changing environment. By and large, they have all performed as well as can be expected, and in all cases, the management and staff of the businesses were proactive and pragmatic in their responses.

Through this our confidence has increased that the Portfolio is well placed to see its way through what is now an uncertain operating environment. We have gained this confidence in working with the portfolio companies to gain greater insight into how this environment may effect each of them. This is underpinned by the quality of the staff and management and the diversification of the portfolio across sectors, asset classes and regions.

Performance of the portfolio since March is consistent with our view that it is well placed. Listed markets have come back from lows and our operating businesses are tracking ahead of our expectations through April and May.

All that said, we are entering a period that is likely to be both uncertain and volatile. In light of this we sold some of our listed equities in May both to support our current investments and provide capital for new opportunities. We have also increased our fixed income exposure to improve the expected yield and cash return of the portfolio.

Operating Results

	2020 $m	2019 $m
Operating earnings	4.3	9.1
Net Profit after Tax	(1.3)	6.6
Dividend	9.6 54cps	10.6 60cps
Net Asset Value per share - Audited Accounts	$11.47	$12.64
Net Asset Value per share - Directors Value	$12.77	$14.40
Quoted Share Price	$11.20	$12.50

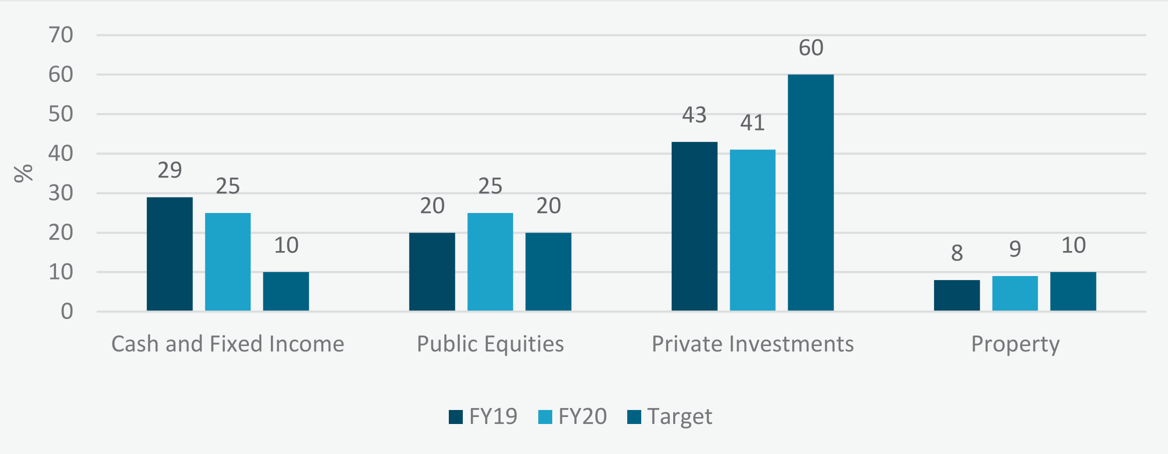
Operating earnings were below budget predominantly due to a challenging year at Bio-Strategy, missing both sales and earnings targets for the year, this combined with a number of one off adjustments resulted in a loss for the year. These adjustments included a significant contract that was expected to be completed in March (delayed as a result of travel restrictions), the inability to lease a building we had moved out of (this has been subsequently sub leased) and a significant writedown in stock.

With a new CEO joining in October and a refreshed leadership team based in Melbourne, we are confident about the future direction and that the right steps are being taken to improve performance.

Net profit after tax was down due to lower operating earnings and the writedown of goodwill in Rainbows End and Mrs Higgins (we cover the reasons for this in our Private Investments coverage on pages 13-18). This was offset by a change in the treatment of depreciation on buildings which has reduced our deferred tax liability carried on the balance sheet – the tax depreciation rates on buildings are now more in line with our accounting depreciation rates.

Asset Allocation

Through the year our asset allocation has remained consistent, with a small increase in our exposure to listed equities and some new investments into private investments, offset by the market downturn in February and March, reducing the holding value of public and private Investments.



Industry Section Exposure

The portfolio has exposure to a broad range of sectors.

Company	Industry Sector
Auckland Packaging Group	Printing, display and promotion
Bio-Strategy	Healthcare and Research
Domett Properties	Industrial Property
Fiordland Lobster	Aquaculture and Food
Magritek	Technology
Mrs Higgins	Food
Partners Life	Insurance
Polynesian Spa	Tourism
Rainbows End	Entertainment and Domestic Tourism
Southern Cross Horticulture	Agriculture and Food

Listed Stocks		
Agriculture and Food	Infrastructure	Technology
Energy	Healthcare	Transport
Retirement		

PRIVATE INVESTMENTS

New Private Investments

Fiordland Lobster

We increased our stake in Fiordland Lobster. They own and lease quota, process and sell crayfish from New Zealand and Australia and are New Zealand's largest processor and exporter of live crayfish. Having operated in this market for over 30 years and with a strong management team and operations across New Zealand, Australia and China have a solid foundation for the future.

Southern Cross Horticulture

We invested alongside an experienced kiwifruit operator and other private investors to develop 27 canopy hectares of SunGold kiwifruit. This was to be the first in a portfolio of kiwifruit orchards. The orchard commenced construction and is tracking to plan. We secured 16 hectares of licenses in April 2019 and the remaining 11 hectares in the May 2020 auction. We have also committed, with the same shareholder group, to purchase a further block to develop another 81 canopy hectares over the next three years.

Magritek

We increased our stake in Magritek from 18% to 25% through the purchase of shares from an existing shareholder in May 2019. Magritek has performed well through the year and we believe it is in a strong position to compete in a growing market niche.

Current Private Investments

Auckland Packaging Company

We have seen increased competition in APC's core markets over the last two years, which has led to a flat sales profile. In FY20 they tracked close to budget. The closure through April shutdown has seen reduced revenues in March and April. Trading has improved in May which is now back to normal levels.

Aside from recent performance, the business is well positioned in the retail and food sector for both semi-permanent and permanent display and promotional work. Its investment in equipment and strong design skills differentiates it from its New Zealand and International competitors.

Polynesian Spa

Polynesian Spa completed a strong financial year in FY20, meeting its budget to grow revenues and earnings until Covid-19 impacted the business significantly in February and March. With over 60% of its customer base being foreign tourists we have reviewed our medium-term earnings expectations and the valuation for the business.

The pools were reopened on 14 May, earlier than predicted, and we have seen steady and improving customer volumes from Rotorua and the Auckland region in early trading. The business has been reshaped to support lower and primarily domestic volumes in the medium term.

We had planned a material redevelopment program to both improve the efficiency and capacity of the current site. This included more private pools and greater investment in the retreat offering. We were planning on undertaking this work in 2021. We have temporarily put these plans on hold. Once volumes return we would expect to progress this.

We hold the view that international tourism will return over the next 24 months, perhaps not to the extent that we were seeing in 2019, but certainly close to those levels and businesses like Polynesian Spa that offer a unique and consistent experience will thrive.

Rainbows End

The Company performed well through FY20. These good results were despite the impacts of an unusually wet winter in 2019 and severe weather which disabled and destroyed the Motion Master. This ride has since been replaced and is due to reopen in July. The costs of this were covered though insurance.

Due to the uncertainty around performance in FY21 we have reduced near term earning expectations and the carrying value of the investment. The park was reopened on 15 May, earlier than predicted and we have seen steady visitor numbers since then. With over 95% of visitors being domestic, Rainbow's End could return to normal trading sooner than attractions reliant on international visitors.

Magritek

The company had a strong result in the year ended December 2019 as a result of its market position and the increasing acceptance of its core product, a desktop NMR. It is now considered a world leading supplier of this product, and although a niche market, it is a growing market with a small number of market participants. Covid-19 has had an impact on the business, in that it was unable to manufacture at normal levels through April and May. Despite this, orders continue to be received and the company has a good backlog and cash position.

Magritek has an exceptional management team and staff, combined with strong intellectual property it is well positioned to continue to grow.

Bio-Strategy

Bio-Strategy had a challenging FY20. To date we have not seen the benefits from the VWR acquisition come to fruition. The extended period to integrate this business into the Group and extract synergies has led to reduced revenues and additional costs in a time that we faced competitive pressures and some stock and supply issues.

In response, we have reduced the headcount and cost base and refocused our sales effort, reducing the number of agencies we support and improved stock and supply management. The new Melbourne based leadership team have responded well to these changes.

Bio-Strategy has been one of our investments that have experienced increased demand for its products through Covid-19 and in April and May, sales and earnings have picked up and we signed a significant new agency with Epredia, a leading provider of pathology equipment and consumables.

We expect that the supply of products, diagnostics, technologies and consumables to the health and research sector will continue to grow over time. As the largest independent supplier in Australasia with over 150 agencies and 120 staff we remain confident in this business and its future to be a good investment for Rangatira.

Fiordland Lobster

Fiordland Lobster experienced a significant drop in sales as the Chinese market closed due to Covid-19 in January 2020. They responded quickly, returning a quantity of stock to the sea and sold the remainder at a discount. They were one of the first companies in New Zealand to feel the impact of the pandemic due to its market being predominantly in China. Despite these challenges the business expects to be profitable for the year with normal trading volumes and prices returning in May. We remain very confident in the management and future of this business.

We have reduced the carrying value reflecting the uncertainty in the market in the near future. The value of the Company is underpinned by the quota value and while the new holding value is below the existing NTA it is consistent with listed company equivalents as at March.

Mrs Higgins

The Company had a good year in FY20 increasing sales and earnings above the previous year. We invested in our sales team and have launched a number of new products which are now gaining traction through supermarket channels to complement its strong distribution through retail, vending and foodservice.

The impact of Covid-19 has been significant. With the fall off in the food service market, and the fact that earnings remain below our long term expectations, we have reduced the carrying value.

Partners Life

The Company has performed well through FY20 reaching 12% market share in the core market and winning 28% of new business so we expect to see its market share continue to rise, solidifying its position as a leading provider of Life and Income cover.

It responded well to the Reserve Bank reviews through 2019 and is well placed to come through these particularly if market participants pull out as a result of the tighter regulatory environment.

While there will be some near-term impacts from Covid-19, we do not believe this will be material to long term prospects of the business. During the year, the company embarked on a capital raising programme to fund future premium growth, IT upgrades and to improve solvency levels under new Reserve Bank requirements. This was concluded in June at a lower value than our carrying value, so we have had to adjust our carrying value downwards to reflect this. We have invested our pro-rata share in this capital raise to maintain our equity position.

Listed Stocks

Over the year our focus was to reposition and increase our exposure to listed stocks. To this end we have:

- Built up a position with Intermede, who now manage all of our international stocks. They have performed well, continuing to trade above their benchmarks.
- Developed a portfolio of New Zealand stocks that both provide both good dividend yield and earnings growth. We own a basket of high quality names to hold long term or until funds are required for new private investments.
- Sold down all of our mining, energy and other international stocks, transferring the funds to Intermede.

FY20	Value as at 30 March $m	Total Return	Benchmark	Index
NZ Income	20.8	-3.3%	-1.1%	-2.1%
NZ Growth	10.9	0.9%	-1.5%	-2.5%
NZ Total	**31.7**	**-1.8%**	**-1.2%**	**-2.2%**
International	**28.6**	**2.7%**	**-1.9%**	**-2.9%**

The listed holdings were significantly affected by the sharp downturn that markets faced through March, losing all of the gains made during the previous 11 months. Overall, the portfolio did well given the year end was the low point of equity markets on 30 March. This is a reflection of the quality of the companies that we hold and the approach of being reasonably concentrated in the stocks that we support.

NZ Income

This portfolio is made up of mainly electricity stocks, designed for both capital preservation and consistent dividend flow. The capital growth of these stocks lagged growth stocks, particularly A2 Milk and Fisher & Paykel Healthcare which were the consistent drivers of the benchmark pre and post Covid.

NZ Growth

Outperformance is predominantly due to our holding in Fisher & Paykel Healthcare.

International

Intermede and Xero both did well and the sale of our resource stocks was well-timed prior to the oil price collapse in March. These positions also benefited from the falling NZ$ relative to US$.

Looking forward to FY21

Despite the challenges of FY20, we are positive about the year ahead and see that there will be good opportunities for new investment within the portfolio companies. This year's result follows several years of strong performance. While we remain conservative about growth in the near term, Rangatira's strong balance sheet, conservative gearing and diversified portfolio mean it is well-positioned to take advantage of emerging opportunities and the economic recovery.

New Zealand is well placed to come through the recent pandemic better than other economies with a strong agricultural base underpinning our economy and low debt relative to other OECD countries. It is with this in mind that we have invested in both kiwifruit and seafood this year – sectors that we feel have a good long term future.

Last year at the AGM and the shareholder update in December we outlined a few key goals, the primary one was to increase efforts to find new private investments. To this end in FY20 we reviewed over 80 opportunities across a number of New Zealand businesses, these included both stand-alone investments and acquisitions for our existing portfolio companies.

We completed three investments in Southern Cross Horticulture, Fiordland Lobster and increased our stake in Magritek, all of which we believe will become good platforms for growth going forward.

Looking forward to FY21 we believe that the investing environment will be better suited for Rangatira to invest capital. We continue to look for compelling private businesses and management teams to partner and invest with. In the next 12 months, we would like to complete further investments either as a standalone investment or as an add on to one of our current portfolio companies.

The cash earnings of the portfolio have been impacted recently, and where historically we were generating cash returns of 3.8% pa, in the coming year this will reduce to 2% as a result of lower than expected earnings from our private businesses and reduced dividend flow from our listed portfolio.

The income target is specifically to ensure that a consistent dividend stream is maintained between 3% and 5% per annum of net asset value each year. We will remain committed to this dividend policy acknowledging that it may mean it is paid from capital in the short term.

Effort over the coming year will be applied to increase cash earnings from the portfolio, to both support future investment and also maintain dividend levels. Acknowledging this we have reduced the final dividend down from 36c per share to 30c per share bringing the total dividend for FY20 to 54c per share or 4.2% of Net Asset Value. We are doing this in light of recent events and also to ensure we can maintain a stable dividend stream in the future.

In Summary

While this year's result fell short of expectations, we are cautiously optimistic about Rangatira's prospects in the year ahead as market conditions improve and the economy recovers.

We would like to acknowledge the efforts of the management and staff of all our Portfolio businesses. Without exception through a difficult year both personally and professionally they have applied intelligence, integrity and care.

In closing, we thank the shareholders for their ongoing support and look forward to updating you on events since the year end at the Annual General Meeting in July.

David Pilkington
Chair

Mark Dossor
Chief Executive Officer

Chris Bradshaw

During the year Chris Bradshaw advised us that after over 20 years with Rangatira he would like to step down and look for new opportunities. Chris has been an incredible steward for Rangatira over the years, involved in every part of the business, the portfolio companies, reviewing new investments and managing the listed portfolio, while also holding down the Financial Control functions for Rangatira.

In closing this year, we would like to add a heartfelt thanks to Chris for his significant contribution over many years with Rangatira and wish him, Lou, and family all the best for the future.

Chris finishes at the end of June officially but will be at the AGM which will give us a chance to acknowledge his contribution more formally then.

As a result of Chris leaving, we have looked at the resources required within Rangatira to actively manage its portfolio going forward. We will be able to provide a further update to this at the meeting.

Chris Bradshaw in 2002

OUR PRIVATE INVESTMENTS

26% OWNERSHIP

Investment Date: May 2019

SOUTHERN CROSS HORTICULTURE

Southern Cross Horticulture is a New Zealand kiwifruit orchard developer and manager.

Owned by the Dunstan family, the company has been planting, growing, and exporting kiwifruit for more than 40 years. Southern Cross Horticulture are highly regarded in the kiwifruit sector, and invest their own capital alongside a syndicate of external investors in each development.

In 2019, Rangatira invested in Southern Cross' 36 ha Oaklands development near Waiuku, south west of Auckland. The orchard is currently under construction and the first crop is planned for 2022. The variety grown is Zespri SunGold, a sweeter, yellow-fleshed variety which attracts premium pricing.

This year, Rangatira agreed to invest in an additional SunGold orchard development: 'Eastern Rise', a 114-ha property near Whakatane.

As a limited partner in Southern Cross kiwifruit developments, Rangatira is also eligible to purchase shares in Zespri. Zespri is a grower-owned marketer and exporter of New Zealand kiwifruit. Zespri also develops intellectual property of kiwifruit varieties that it exclusively owns and markets around the world.

1.4% OWNERSHIP

Investment Date: October 2019

THE FIORDLAND LOBSTER COMPANY

The Fiordland Lobster Company is a Te Anau based, vertically integrated lobster company which conducts operations across two areas of the lobster industry: Quota and Production.

For over 30 years it has been dedicated to the sustainable fishing and live export of high-quality Southern Rock Lobster (NZ Crayfish). In 2010 Fiordland Lobster Company expanded its operation into Australia where it operates under the brand South Australian Lobster Company.

The Quota business owns lobster quota in Australia and New Zealand which it in turn leases to fishing companies on a seasonal basis. The largest quota holding by tonnage is 'CRA8', which covers the lower South Island of New Zealand.

The Production business purchases lobster from fishing companies, grading and packaging the live lobster in its own facilities for distribution and export. Once they reach their destination the lobster are re-swum and revived to peak condition where they are then available for sale to high-end restaurants, supermarkets and home delivery.

Most of the product is exported to mainland China.

Rangatira owns 1.4% of Fiordland Lobster. The company's shareholder base is very diverse, and a number of shareholders are fishing companies.

100% OWNERSHIP

APC INNOVATE

APC Innovate is the market leader in providing innovative solutions for merchandising, point-of purchase, and in-store promotional materials.

APC is a key component of its clients in-store promotion of their products which boosts end customer awareness of these products. Its clients include a wide range of fast-moving consumer goods (FMCG) companies and retailers. APC offers end-to-end solutions from design, production and in-store installation.

Its product range includes point-of-purchase displays in cardboard, metal, plastics and other substrates. It also manufactures promotional materials and specialist cardboard packaging.

APC was closed during the recent Level 4 lockdown but reopened to full capacity in late April 2020.

In May, APC produced a number of instore COVID-19 products which received good uptake from its retail customer base. Along with this, we have seen demand return to normal levels.

Investment Date: June 1999

70% OWNERSHIP

BIO-STRATEGY

Bio-Strategy is a specialist distributor of scientific instruments, chemicals and laboratory supplies for life and applied science throughout Australia and New Zealand. Their highly trained staff provide a full range of sales and support for customers in laboratories, academia, hospitals, and industry.

Bio-Strategy has a wide range of international suppliers many well-known, market leading brands and is constantly monitoring the latest scientific research so the company can be first to introduce innovative new technologies and suppliers to the Australasian market. Bio-Strategy's large customer base appreciate the company's wide range of leading products and excellent service, providing a total solution.

Deemed an essential service, Bio-Strategy was able to maintain operations during the lockdowns. There has been an increased demand for Bio-Strategy products since March 2020 and we remain positive about the company's prospects under new management.

Investment Date: June 2015

25% OWNERSHIP

MAGRITEK

Magritek designs, manufactures, and sells disruptive benchtop Nuclear Magnetic Resonance (NMR) solutions to academic and industry customers.

The Magritek family of Spinsolve benchtop NMR models offers revolutionary high sensitivity and resolution in a compact package in the quest to find more information about molecules. Magritek provides worldwide sales and support through its offices in Germany, USA, UK and New Zealand, and a network of partners. Magritek has consolidated its manufacturing operations to Germany.

Magritek delivered a record number of Spinsolves in 2019, increasing the number of Spinsolves sold due to the quality of the products and the service of the team at Magritek. Magritek's order book remains strong despite the launch of competitor products.

Investment Date: July 2013

50% OWNERSHIP

MRS HIGGINS

Mrs Higgins produce a range of high-quality oven-fresh bakery products including cookies, ready to bake cookie dough, café slices and more. Its products are available from leading distributors, through food outlets, supermarkets, vending machines and convenience stores throughout New Zealand. Mrs Higgins also supplies leading Australian distributors and it is expanding into other export markets.

Mrs Higgins opened a new manufacturing plant in 2018 to provide capacity to meet potential demand for bakery products in New Zealand and expand sales in Australia and Asia. Mrs Higgins is a partnership between Rangatira and the Hasler family. Rangatira's investment in December 2017 positioned Mrs Higgins for growth.

Its major customers are food service distributors, route-trade and supermarkets.

Investment Date: 2017

4% OWNERSHIP

PARTNERS LIFE

Partners Life provides innovative life, disability, trauma, income protection and medical insurance to New Zealanders.

Partners Life aims to close the underinsurance gap in New Zealand by providing the best possible outcomes to customers by offering them a superior product distributed by financial advisers. Growth to 12% inforce market share and a record for customer premium income has rounded out another year of strong growth for Partners.

Partners Life is rated a leading provider across the Lewers' survey of financial advisers; new business market share; and independent product ratings. In March 2020, A.M. Best affirmed Partners Financial Strength Rating of A- (Excellent).

Investment Date: June 2011

51% OWNERSHIP

POLYNESIAN SPA

Polynesian Spa is New Zealand's leading, award winning thermal spa and hot pool experience. Situated on Rotorua's exclusive lakefront boasting picturesque views, it has established a worldwide reputation for its therapeutic waters which are drawn from geothermal natural springs.

Alongside the Lobb Family, our investment in Polynesian Spa dates back almost 50 years. The company has outlasted economic and tourism downturns before, and we have confidence that Polynesian Spa will be well placed to take full advantage of the eventual recovery.

Investment Date: 1971

100% OWNERSHIP

RAINBOW'S END

Since 1982 New Zealand's premier theme park has been delighting family and friends with the biggest and best rides in town. We started with a set of bumper boats and a big dream down the end of the Southern Motorway. Thirty-seven years later we have built over 20 rides and attractions, and we're still chasing the rainbow with plenty more to come.

In 2019 we opened Rainbow Playlab a gaming and entertainment centre for our tech-savvy guests. In July 2020 we will be opening Spectra, the largest 7D ride in the Southern Hemisphere!

We are proud to be one of Auckland's favourite places to escape from the everyday and experience magical moments with loved ones, creating special memories and traditions.

Investment Date: Jan 2013

OUR PUBLIC INVESTMENTS

New Zealand	2020 NZ$m	2019 NZ$m
Infratil	5.0	3.7
Mercury Energy	4.3	3.2
Meridian	3.8	4.4
Fisher & Paykel Healthcare	3.7	2.4
Contact Energy	2.7	0.7
Mainfreight	1.7	1.7
EBOS Group	1.5	1.3
Genesis Energy	1.5	1.6
Trustpower	1.4	1.5
Vector	1.3	1.4
Scales Corporation	1.1	1.2
Ryman Healthcare	0.9	1.2
Arvida	0.9	-
TIL Logistics	0.5	0.4
ikeGPS	0.4	0.4
Oceania Healthcare	0.4	-
Serko	0.2	0.4
Pushpay	0.2	-
Syft Technologies	0.1	-
Tower	0.1	0.1
Pacific Edge	0.1	0.1
Auckland Airport	-	1.6
Green Cross Health	-	0.6
Total	31.7	28.1

International	2020 NZ$m	2019 NZ$m
Intermede	28.6	7.2
Rio Tinto	-	3.8
Reckitt Benckiser	-	3.5
BHP Billiton	-	3.4
Royal Dutch Shell	-	1.8
Xero	-	1.7
BP	-	1.6
Total	28.6	23.0
Total Public Investments	**60.4**	**51.0**

MANAGED FUNDS

Movac Fund 3

Exposure to New Zealand venture capital through expert managers.

Movac is New Zealand's leading venture capital manager. It invests in New Zealand companies with a proven product or service and potential to scale to $100m+ revenue. Movac Fund 3's standout investment was PowerByProxi, a successful wireless charging technology and solutions business born out of University of Auckland. The Fund's two remaining investments are Aroa Biosurgery (regenerative tissue platform) and Author-it (content authoring business).

Icon Ventures - Funds V and VI

Exposure to international venture capital through expert managers.

Icon Ventures is a specialty Silicon Valley venture capital manager, focused on series B and C investments.

Fund V has invested over 95% of the committed capital in 17 companies that include Area 1 Security, Cloud Physics, Delphix, Duetto Research, Exabeam, Ionic Security, Moovweb, Synack, The Muse and Tune Inc. Fund V and has made distributions equivalent to 40% of contributed capital to date.

Fund VI has invested over 50% of the committed capital in 12 companies that include Alation, Button, Datrium, Hound Labs, Nomad Health, Quizlet, Ripcord, Streamlabs, Thanx and Timescale.

Intermede

Exposure to international equities through expert managers.

Intermede Investment Partners is a London-based investment manager specialising in global listed shares. Its fund invests in a relatively concentrated portfolio of around 40 high-growth high-return ('best-in-class') stocks.

The firm was established in 2014 by CEO Barry Dargan and three analysts. Since then, its annualised outperformance has totalled over 3% pa over the MSCI All Country World Index, performance consistent with that achieved by Barry Dargan in previous portfolio management roles. The fund was negatively impacted by the COVID-19 pandemic but has continued to outperform its benchmark.

Investment Date: March 2019.

Rangatira Group

Consolidated Income Statement

For the year ended 31 March 2020

	Note	2020 $000	2019 $000
Continuing operations			
Revenue	2	**114,499**	117,334
Other income	3	**4,540**	1,036
Total income		**119,039**	**118,369**
Depreciation and amortisation	10,11,12,14	**(6,856)**	(4,951)
Employee benefit expense	4	**(33,503)**	(32,695)
Finance costs		**(2,472)**	(1,731)
Impairment of goodwill and right of use assets	11,13,23	**(9,104)**	-
Raw materials and consumables used		**(55,863)**	(56,100)
Consulting expense		**(287)**	(681)
Operating expenses	4	**(14,510)**	(16,869)
Profit before tax from continuing operations		**(3,556)**	5,342
Tax benefit/(expense)	6	**3,653**	(1,541)
Profit after tax from continuing operations		**97**	3,801
Profit after tax from discontinued operations	30	-	5,467
Profit after tax		**97**	9,268
Profit attributable to:			
Equity holders of the parent		**(1,336)**	6,571
Non-controlling interests		**1,433**	2,697
		97	9,268
Basic and diluted earnings per share (cents)	19	**(7.5)**	37.1

- The notes on pages 27 to 61 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2020

	2020 $000	2019 $000
Other comprehensive income/(losses)		
Investments at Fair Value through OCI		
- valuation gain/(loss) taken to reserves	**(9,689)**	2,159
Translation of foreign operations	**(170)**	(228)
Associate companies		
- share of reserves of associates	**-**	(79)
Movement in cash flow hedge reserve	**-**	(349)
Other comprehensive (losses)/income recognised directly in equity	**(9,859)**	1,503
Profit after tax from continuing operations	**97**	3,801
Profit after tax from discontinued operations	**-**	5,467
Total comprehensive (loss)/ income for the year after tax	**(9,762)**	10,771
Total comprehensive income attributable to:		
Equity holders of the parent	**(11,144)**	8,103
Non-controlling interests	**1,382**	2,668
	(9,762)	10,771

- The notes on pages 27 to 61 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Changes In Equity

For the year ended 31 March 2020

2019	Note	Share capital $000	Retained earnings $000	Investments at fair value reserve $000	Cash flow hedge reserve $000	Foreign currency translation reserve $000	Attributable to equity holders of the Parent $000	Attributable to non-controlling interests $000	Total $000
Balance at the beginning of the year		17,712	182,891	25,306	349	(102)	226,156	13,387	239,543
Total comprehensive income		-	6,571	2,159	(349)	(278)	8,103	2,668	10,771
Dividends paid to non-controlling interests		-	-	-	-	-	-	(1,608)	(1,608)
Dividends paid to parent shareholders	20	-	(10,627)	-	-	-	(10,627)	-	(10,627)
Sale of discontinued operation		-	-	-	-	-	-	(15,774)	(15,774)
Disposal of FVOCI		-	3,800	(3,800)	-	-	-	-	-
Balance at end of year		**17,712**	**182,635**	**23,665**	**-**	**(380)**	**223,632**	**(1,327)**	**222,305**

2020	Note	Share capital $000	Retained earnings $000	Investments at fair value reserve $000	Cash flow hedge reserve $000	Foreign currency translation reserve $000	Attributable to equity holders of the Parent $000	Attributable to non-controlling interests $000	Total $000
Balance at the beginning of the year		17,712	182,635	23,665	-	(380)	223,632	(1,327)	222,305
Total comprehensive income		-	(1,336)	(9,689)	-	(118)	(11,143)	1,382	(9,761)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(926)	(926)
Dividends paid to parent shareholders	20	-	(10,627)	-	-	-	(10,627)	-	(10,627)
Acquisition of Treasury Stock		(45)	-	-	-	-	(45)	-	(45)
Disposal of FVOCI		-	9,853	(9,853)	-	-	-	-	-
Balance at end of year		**17,667**	**180,525**	**4,123**	**-**	**(498)**	**201,817**	**(871)**	**200,946**

- The notes on pages 27 to 61 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Financial Position

As at 31 March 2020

	Note	2020 $000	2019 $000
Current assets			
Cash and cash equivalents		**20,277**	81,875
Term deposits		**32,216**	-
Trade receivables	7	**12,865**	12,821
Inventories	8	**13,910**	13,022
Other current financial assets	9	**2,833**	1,630
Other current assets		**1,317**	1,077
Total current assets		**83,418**	110,425
Non-current assets			
Property, plant and equipment	10	**26,267**	25,215
Right-of-use lease assets	11	**26,671**	-
Investment property	12	**23,028**	24,039
Investments in associate companies	23	**13,007**	11,073
Goodwill	13	**13,067**	19,788
Intangible assets	14	**676**	1,087
Deferred tax asset	6	**4,115**	2,617
Other non-current financial assets	9	**91,964**	83,020
Total non-current assets		**198,795**	166,839
Total assets		**282,213**	277,264

- The notes on pages 27 to 61 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Financial Position (continued)

As at 31 March 2020

	Note	2020 $000	2019 $000
Current liabilities			
Trade and other payables	15	**23,539**	15,981
Borrowings	16	**14,459**	21,558
Lease liabilities	11	**1,852**	-
Other current financial liabilities	16	**377**	-
Tax payable		**411**	506
Provisions	17	**2,502**	2,178
Total current liabilities		**43,140**	40,223
Non-current liabilities			
Borrowings	16	**7,370**	5,538
Lease liabilities	11	**26,846**	-
Provisions	17	**410**	354
Deferred tax liability	6	**3,501**	8,844
Total non-current liabilities		**38,127**	14,736
Total liabilities		**81,267**	54,959
Net assets		**200,946**	222,305
Equity			
Share capital	18	**17,667**	17,712
Retained earnings		**180,525**	182,635
Investments at fair value reserve		**4,123**	23,665
Foreign currency translation reserve		**(498)**	(380)
Equity holders of the Parent		**201,817**	223,632
Attributable to non-controlling interests		**(871)**	(1,327)
Total equity		**200,946**	222,305

Approved for issue on behalf of the Board on 3 June 2020

DA Pilkington **DK Gibson**

- The notes on pages 27 to 61 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Cashflow

For the year ended 31 March 2020

	Note	2020 $000	2019 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		**111,573**	119,320
Dividends received		**3,946**	996
Interest received		**1,677**	973
		117,196	121,289
Cash was applied to:			
Payments to suppliers and employees		**(96,948)**	(109,273)
Tax paid		**(3,283)**	(2,395)
Interest paid and other costs of finance		**(2,728)**	(2,962)
		(102,959)	(114,630)
Net cash inflows from operating activities	25	**14,237**	6,659
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of business (net of cash and including related party loans repaid)	30	-	74,396
Proceeds from sale of investments		**21,193**	7,708
Proceeds from sale of property, plant and equipment		**1,727**	784
		22,920	82,888
Cash was applied to:			
Purchase of property, plant and equipment		**(4,750)**	(1,993)
Purchase of business (net of cash)		-	(26,787)
Purchase of investments		**(75,866)**	(23,770)
		(80,616)	(52,550)
Net cash (outflows)/inflows from investing activities		**(57,696)**	30,338
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		-	19,267
		-	19,267
Cash was applied to:			
Dividends paid to shareholders of the parent		**(10,627)**	(10,627)
Dividends paid to non-controlling interests		**(926)**	(1,608)
Repayment of borrowings		**(5,267)**	-
Repayment of lease liabilities		**(1,274)**	-
Acquisition of treasury stock	18	**(45)**	-
		(18,139)	(12,235)
Net cash (outflows)/inflows from financing activities		**(18,139)**	7,032
Net (decrease)/increase in cash held		**(61,598)**	44,029
Cash at beginning of year		**81,875**	37,846
Cash at end of year		**20,277**	81,875
Cash and cash equivalents		**20,277**	81,875

- The notes on pages 27 to 61 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Notes to the Consolidated Financial Statements

For the year ended 31 March 2020

Note 1 Reporting Entity And Basis Of Preparation

Rangatira Limited is an investment company incorporated and domiciled in New Zealand. Its principal activity is investment. The Group consists of Rangatira Limited, its subsidiaries and associates.

The consolidated financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP), the Companies Act 1993, and the Financial Reporting Act 2013. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate for profit-oriented entities, and with International Financial Reporting Standards.

The financial statements are presented in New Zealand dollars. All financial information has been rounded to the nearest thousand, unless otherwise stated.

The measurement basis adopted in the preparation of these financial statements is historical cost, modified by the revaluation of financial instruments as identified in the specific accounting policies below and the accompanying notes.

Accounting policies and standards

Accounting policies that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements.

NZ IFRS 16 Leases

NZ IFRS 16 replaces NZ IAS17 Leases and removes the classification of leases as either operating leases or finance leases meaning all leases (other than short term or low value assets) are recognised on the Statement of Financial Position.

The Group has adopted NZ IFRS 16 using the modified retrospectice approach at the date of initial application (1 April 2019). Accordingly, the information presented for the comparative period has not been restated – i.e. it is presented, as previously reported, under NZ IAS 17.

The lease liability was measured at the present value of the minimum lease payments, discounted at the incremental borrowing rate applicable to that lease (or portfolio of leases) at 1 April 2019. In line with the modified retrospective approach, the associated right of use assets were measured at the amount equal to the lease liability relating to that lease at 1 April 2019, with no overall change in net assets.

Accounting estimates and judgements

The preparation of the financial statements requires the Board of Directors and management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the process of applying the Group's accounting policies, management has made the following judgements that have had the most significant effect on the amounts recognised in the financial statements.

Impairment testing

There is a need to test for impairment of any tangible or intangible assets.

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 1 Reporting Entity And Basis Of Preparation (continued)

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Key sources of estimation uncertainty

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of either the higher of the recoverable value or fair value less costs of disposal of the cash generating units to which goodwill has been allocated. The fair value calculation requires the entity to estimate the expected earnings and an appropriate earnings multiple, and compare the fair value to the carrying amount of the cash generating units' assets to determine if any impairment has occurred. Key areas of judgement include deciding the earnings multiple of applicable businesses.

Determination of fair values

Investments in unlisted equity securities are valued by reference to comparable market transactions and valuations provided by fund managers to estimate fair value where such prices are not available. The International Private Equity and Venture Capital Association Limited (IPEV) guidelines are used, which also ensure compliance with NZ IFRS 13. Valuations are performed by the fund managers and comparable market transactions, and require the use of significant judgement in determining the fair value of investments when no other observable inputs are available.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 2 Revenue

	Note	2020 $000	2019 $000
Revenue from the sale of goods		**82,306**	86,910
Revenue from the rendering of services [(1)]		**26,183**	27,195
Dividends	5	**1,880**	1,476
Interest revenue	5	**1,611**	974
Rental income		**2,519**	779
Total revenue		**114,499**	117,334

[(1)] Revenue from the rendering of services includes ticket sales at Polynesian Spa and Rainbows End, and service agreement revenue at Bio-Strategy.

The following provide information about the nature and timing of recognition of revenue as required by NZ IFRS 15.

Sale of packaging goods. The revenue is recognised at a point in time, when the goods are delivered to and have been accepted at the customer premises as this is the point control of the goods have passed to the customer.

Access to recreational facilities. Revenue is recognised when the customer enters the recreational facilities.

Shop sales. The revenue is recognised at a point in time, when the goods are delivered to and have been accepted by the customer.

Sales of scientific consumables. The revenue is recognised at a point in time, when the consumables are delivered to and installed at the customer premises.

Instrument sales. The revenue is recognised at a point in time, when the consumables are delivered to and installed at the customer premises.

Service Agreements. Revenue is recognised over time as the services are provided to the customers.

Dividend Income. Dividend revenue is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest Revenue. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Rental Income. Rental income is recognised over time, as the leasing service is provided.

Note 3 Other Income

Other gains/losses on the sale of investments and property, plant and equipment are recognised when the risks and rewards have transferred to the acquirer.

	2020 $000	2019 $000
Gain on disposal of investments	**429**	34
Share of profit/(losses) for the year from associate companies	**1,759**	1,113
Gain/(loss) on disposal of property, plant and equipment	**1,559**	(56)
Other	**793**	(55)
Total other income	**4,540**	1,036

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 4 Profit Before Tax

	Note	2020 $000	2019 $000
Profit before tax has been arrived at after charging the following expenses:			
Employee benefit expense:			
Defined contribution plans		**819**	769
Kiwisaver employer contributions		**478**	422
Other employee benefits		**32,206**	31,504
Total employee benefit expenses		**33,503**	32,695
Fees paid to auditors:			
Audit of the financial statements		**280**	238
Other non-audit services [i]		**34**	114
Total fees paid to auditors		**314**	352
Donations		**6**	6
Operating lease rental expense	11	**163**	3,472
Repairs and maintenance		**2,106**	1,611
Freight and travel		**1,260**	1,278
Other expenses		**10,661**	10,150
Total operating expenses		**14,510**	16,869

[i] The parent company received corporate finance services from KPMG, and subsidiaries received taxation advice.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 5 Income and Expenses Relating to Financial Instruments

	Note	2020 $000	2019 $000
Profit for the year includes the following income and expenses arising from financial instruments:			
Financial assets at fair value through profit and loss:			
Equity investments		**484**	(497)
		484	(497)
Loans and receivables:			
Interest revenue	2	**1,611**	974
		1,611	974
Financial assets at fair value through other comprehensive income:			
Dividend revenue	2	**1,880**	1,476
		1,880	1,476
Financial liabilities at fair value through profit and loss:			
Interest rate swaps gain/(loss)		**-**	254
		-	254
Financial liabilities at amortised cost:			
Interest expense		**(831)**	(1,790)
Foreign exchange loss		**(874)**	(304)
		(1,705)	(2,094)

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 6 Tax Expense

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the Income Statement, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred tax or current tax is also recognised in other comprehensive income or directly in equity. Where it arises from the initial accounting for a business combination, it is taken into account in the determination of goodwill or excess net assets over consideration paid.

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the values used for taxation purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. A deferred tax asset is recognised only to the extent it is probable it will be utilised.

	2020 $000	2019 $000
Income tax recognised in profit or loss:		
(Loss)/profit before tax	**(3,556)**	5,342
Prima facie tax at 28%	**(996)**	1,496
Tax effects of different jurisdictions	**68**	1
Non deductible expenditure	**3,237**	619
Non assessable income	**99**	(324)
Unutilised tax losses	**-**	(32)
Imputation credits offset	**(600)**	(111)
Reversal of deferred tax liability from change in property tax rules	**(5,408)**	-
Prior period adjustment	**(53)**	(108)
Tax (benefit)/expense	**(3,653)**	1,541
Current tax	**3,191**	1,862
Deferred tax	**(6,844)**	(321)
Imputation credit account balance at end of year	**2,605**	2,656

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

2019	Opening balance $000	Charged to income and comprehensive income $000	Business acquisitions/ disposals $000	Closing balance $000
Gross deferred tax liabilities:				
Property, plant and equipment	9,550	(181)	-	9,369
Intangible assets	16,800	-	(16,800)	-
Fair value through profit or loss financial assets	(27)	-	-	(27)
	26,323	(181)	(16,800)	9,342
Gross deferred tax assets:				
Provisions, doubtful debts and impairment losses	3,353	(408)	(1,140)	1,807
Fair value through profit or loss financial assets	498	139	-	637
Tax losses	262	409	-	671
	4,113	140	(1,140)	3,115

2020	Opening balance $000	Charged to income and comprehensive income $000	Business acquisitions/ disposals $000	Closing balance $000
Gross deferred tax liabilities:				
Property, plant and equipment	9,369	(5,841)	-	3,528
Fair value through profit or loss financial assets	(27)	-	-	(27)
	9,342	(5,841)	-	3,501
Gross deferred tax assets:				
Provisions, doubtful debts and impairment losses	1,807	823	-	2,630
Lease	-	148	-	148
Fair value through profit or loss financial assets	637	(20)	-	617
Tax losses	671	49	-	720
	3,115	1,000	-	4,115

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 7 Trade Receivables

The nominal value less estimated credit risk adjustments of trade receivables is assumed to approximate their fair value. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

	2020 $000	2019 $000
Trade receivables [i]	**11,446**	12,571
Allowance for doubtful debts	**(55)**	(56)
	11,391	12,515
GST and other receivables	**1,474**	306
	12,865	12,821

[i] The average credit period on sales of goods is 44 days (2019: 23 days). No interest is charged on the trade receivables or on the outstanding balances. The Group has provided fully for all receivables over 180 days because historical experience is such that receivables that are past due beyond 180 days are generally not recoverable. Trade receivables between 40 days and 180 days are provided for based on estimated irrecoverable amounts from the sale of goods, determined by reference to past experience.

Included in the Group's trade receivables balance are debtors that are past due over 30 days at the reporting date with a carrying amount of $1,750,000 (2019: $1,328,000). The Group has not provided for these as there has not been a significant change in credit quality and the Group believes the amounts are still considered recoverable. The Group does not hold any collateral over these balances and the average age of these receivables is 68 days (2019: 68 days).

Before accepting any new customers, the Group uses an assessment criteria for potential customers' credit quality and defines credit limits by customer.

	2020 $000	2019 $000
Ageing of past due but not impaired trade receivables:		
30-60 days	732	629
61-90 days	574	259
91-120 days	223	306
121-150 days	69	129
151-180 days	152	5
Total	1,750	1,328

	2020 $000	2019 $000
Movement in doubtful debts:		
Balance at beginning of the year	(56)	(98)
Amounts provided for during the year	-	(13)
(Increase)/decrease in allowance recognised in profit	1	55
Balance at the end of the year	(55)	(56)

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Accordingly, the Directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 8 Inventories

Inventories, consisting of merchandise held for resale, manufactured goods, manufacturing work in progress and raw materials are valued at the lower of cost and net realisable value determined on a first-in first-out basis. Costs, including an appropriate portion of direct overhead expenses, are assigned to inventory on-hand on a weighted average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

	2020 $000	2019 $000
Merchandise held for resale	**14,687**	12,462
Goods in transit	**1,899**	1,686
Work in progress	**152**	118
Raw materials	**474**	461
Other	**-**	189
Provision for obsolescence	**(3,302)**	(1,894)
	13,910	13,022

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 9 Other Financial Assets

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL, taking into account the business model within which they are managed, and their contractual cash flow characteristics.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at fair value through profit or loss (FVTPL)

The Group has classified certain unlisted shares, listed shares and derivatives as financial assets at fair value through profit or loss where the financial asset is held for trading. The listed and unlisted shares have been acquired principally for the purpose of selling in the near future. These financial assets are at fair value, with any resultant gain or loss recognised in the Income Statement.

Fair Value through Other Comprehensive Income (FVOCI)

Certain shares are classified as being FVOCI and are stated at fair value. These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. Changes in fair value are recognised in other comprehensive income. Dividends are recognised in profit or loss when the Group's right to receive the dividend is established.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance date. The Group uses recent transaction prices and valuations provided by fund managers to estimate the fair value where such prices are not available. IPEV valuation guidelines are used, which also ensures compliance with NZ IFRS 13.

Amortised cost

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

	2020 $000	2019 $000
Loans and receivables:		
Interest bearing loans advanced to other parties	**1,845**	-
Financial assets at fair value through profit or loss:		
Public shares	**988**	1,630
Private shares	**2,559**	2,228
Fair Value through Other Comprehensive Income		
Public shares	**59,368**	49,407
Private shares	**30,037**	31,385
	94,797	84,650
Current	**2,833**	1,630
Non-current	**91,964**	83,020

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 10 Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment, excluding land. Depreciation is calculated on a straight line or diminishing value basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the diminishing value or straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The principal rates (straight line or diminishing value) used are:

- Freehold and leasehold buildings 1–4%
- Plant and equipment 4-60%
- Furniture and leasehold improvements 4-40%
- IT hardware 40-48%

The gain or loss arising on disposal or retirement is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in the Income Statement.

Gross carrying amount	Note	Land and buildings at cost $000	Plant and equipment at cost $000	Furniture and leasehold improvements at cost $000	IT Hardware at cost $000	Total $000
2019						
Gross value at the beginning of the year		51,573	86,746	14,189	301	152,809
Reclassified as investment property	12	(32,604)	-	-	-	(32,604)
Business acquisitions and disposals	30	(4,021)	(43,806)	(55)	405	(47,477)
Additions		74	778	748	102	1,702
Disposals		-	(269)	(133)	(59)	(461)
Transfers between categories		-	(280)	280	-	-
Gross value at the end of the year		**15,022**	**43,169**	**15,029**	**749**	**73,969**
2020						
Gross value at the beginning of the year		15,022	43,169	15,029	749	73,969
Additions		6	3,891	632	195	4,724
Disposals		(6)	(1,925)	(164)	(40)	(2,135)
Restatement		6	(111)	(555)	-	(660)
Gross value at the end of the year		**15,028**	**45,024**	**14,942**	**904**	**75,898**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 10 Property, Plant and Equipment (continued)

Accumulated depreciation and impairment	Note	Land and buildings at cost $000	Plant and equipment at cost $000	Furniture and leasehold improvements at cost $000	IT Hardware at cost $000	Total $000
2019						
Accumulated depreciation at the beginning of the year		13,932	38,694	7,132	223	59,981
Reclassified as investment property	12	(7,554)	-	-	-	(7,554)
Business acquisitions and disposals	30	(75)	(6,869)	136	247	(6,561)
Depreciation expense		200	2,054	903	128	3,285
Disposals		-	(246)	(118)	(34)	(398)
Accumulated depreciation at the end of the year		6,503	33,633	8,053	564	48,753
2020						
Accumulated depreciation at the beginning of the year		6,503	33,633	8,053	564	48,753
Depreciation expense		316	2,100	889	135	3,440
Disposals		-	(1,764)	(137)	(1)	(1,902)
Restatement		-	(656)	(1)	(3)	(660)
Accumulated depreciation at the end of the year		6,819	33,313	8,804	695	49,631
Net book value						
As at 31 March 2019		8,519	9,536	6,976	185	25,216
As at 31 March 2020		8,209	11,711	6,138	209	26,267

The Group had no impairment losses for property, plant and equipment.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 11 Leases

The Group has adopted NZ IFRS 16 Leases ('NZ IFRS 16') from 1 April 2019.

NZ IFRS 16 replaces NZ IAS 17 Leases and removes the classification of leases as either operating leases or finance leases and consequently for the lessee, all leases (other than short term or low value leases) are recognised on the Statement of Financial Position. This has resulted in the Group recognising right of use assets and related lease liabilities for leases previously classified as operating leases on the Statement of Financial Position. As a result, payments for operating leases are now recorded against the lease liability. The operating lease expense previously included within other operating expenses is replaced by interest on the lease liability and depreciation on the right of use assets. Lessor accounting remains materially unchanged under the new standard.

The Group has adopted NZ IFRS 16 using the modified retrospective approach and has not restated comparative amounts for the period prior to first adoption. The Group has utilised the practical expedients permitted by NZ IFRS 16 in respect of short-term and low value leases where appropriate.

The lease liability was measured at the present value of the minimum lease payments, discounted at the incremental borrowing rate applicable to that lease (or portfolio of leases) at 1 April 2019. In line with the modified retrospective approach, the associated right of use assets were measured at the amount equal to the lease liability relating to that lease at 1 April 2019, with no overall change in net assets.

The impact of adoption of NZ IFRS 16 in the Group's Consolidated Statement of Financial Position is summarised in the table below:

Statement of Financial Position effect

	31/03/2020 $000	1/04/2019 $000
Right of use assets	26,671	25,494
Lease liabilities	(28,698)	(25,739)
Deferred tax liabilities	146	-
Change in net assets	**(1,881)**	**(245)**

When compared to the accounting policies applied in the prior comparative period, the adoption of NZ IFRS 16 on the Group's Consolidated Income Statement for the year ended 31 March 2020 is summarised in the table below:

Statement of Income Statement effect

	2020 $000
Reduce rental expenses	3,425
Depreciation	(2,815)
Impairment of right of use asset	(1,397)
Interest expense	(1,279)
Taxation expense	188
Change in comprehensive income	**(1,878)**

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 11 Leases (continued)

Right of use assets

31/03/2020	Property Leases $000	Other leases $000	Total $000
Cost			
Balance at beginning of year	13,343	628	13,971
Additions	16,730	182	16,912
Impairment of right of use asset	(1,397)	-	(1,397)
Balance at end of year	28,676	810	29,486
Accumulated depreciation			
Balance at beginning of year	-	-	-
Depreciation for the year	(2,495)	(320)	(2,815)
Balance at end of year	(2,495)	(320)	(2,815)
Carrying value at 31 March 2020	**26,181**	**490**	**26,671**

Lease liabilities

	31/03/2020 $000s
Maturity analysis - contractual undiscounted cash flows	
Between 0 to 1 year	3,767
Between 1 to 2 years	3,580
Between 2 to 5 years	9,714
More than 5 years	19,599
Total undiscounted lease liabilities	36,660
Lease liabilities included in the Statement of Financial Position	
Current	1,852
Non-current	26,846
Balance at end of year	**28,698**

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Amounts recognised in the Consolidated Income Statement

	31/03/2020 $000s
Interest on lease liabilities	(1,279)
Variable lease payments not included in the measurement of lease liabilities	(36)
Expenses relating to short-term leases	(24)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(51)

The weighted average incremental borrowing cost applied to lease liabilities at 1 April 2019 was 4.8%.

Total cash outflow for leases for the year ended 31 March 2020 was $3.4 million.

Leases as a lessor

The Group has receivables from operating leases relating to the lease of premises as disclosed in Note 12. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	31/3/20 $000s	1/4/19 $000s
Operating Lease receivables as a lessor		
Within 1 year	2,190	2,190
Greater than 1 year, but less than 2 years	2,190	2,190
Greater than 2 year, but less than 5 years	6,570	6,570
Greater than 5 years	9,855	12,045
Total undiscounted lease payments	**20,805**	**22,995**

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 12 Investment Property

Investment property comprises a commercial property and a number of adjacent residential properties. The commercial property is leased to Hellers for 9.4 years and Hellers has two rights of renewal. The lease payments are periodically adjusted by CPI. Further information on this lease is in Note 11. The residential properties are on periodic leases.

	2020 $000	2019 $000
Gross carrying amount		
Gross value at the beginning of the year	**32,604**	32,551
Additions	**-**	53
Gross value at the end of the year	**32,604**	32,604
Accumulated depreciation and impairment		
Accumulated depreciation at the beginning of the year	**8,565**	7,554
Depreciation expense	**1,011**	1,011
Accumulated depreciation at the end of the year	**9,576**	8,565
Net book value	**23,028**	24,039

The investment property is recorded at cost being the fair value at acquisition in November 2015 less accumulated depreciation.

Depreciation is calculated on a straight line basis (2%-4%) so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 13 Goodwill

Goodwill arising on the acquisition of a subsidiary is recognised as an asset at the date that control is acquired. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held equity interest (if any) in the acquiree over the fair value of the identifiable net assets recognised. Goodwill is not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill by subsidiary

	2020 $000	2019 $000
Auckland Packaging Company Limited	**1,826**	1,826
Bio-Strategy Limited	**6,626**	6,626
Domett Properties Limited	**4,615**	4,615
New Zealand Experience Limited	**-**	6,721
Total goodwill	**13,067**	19,788

	2020 $000	2019 $000
Cost	**19,788**	19,788
Accumulated Impairment	**(6,721)**	-
Total goodwill	**13,067**	19,788

Goodwill has been allocated for impairment testing purposes to the cash-generating units of each subsidiary. The recoverable amount of goodwill is determined from fair value. The key assumptions applied in the calculation are the expected earnings and an appropriate earnings multiple. Management estimates the earnings multiples using current market assessments and the risks specific to the assets of the cash generating unit. Changes in earnings are based on past practices and expectations of future market changes. Management prepares earnings forecasts based on strategic plans approved by the Board.

NZ Experience Limited

At 31 March 2020, a decision was made to impair the $6,721,000 of goodwill associated with New Zealand Experience Limited. This follows a detailed review of the expected earnings and appropriate earnings multiple given the risks associated with this business.

Rangatira acquired NZ Experience (owner of Rainbows End Theme Park) in 2012 recognising the acquired assets and liabilities at fair value and resulting goodwill of $6,721,000. This goodwill has been reviewed every year since acquisition. In recent reviews underlying earnings were at a level just supporting this level of goodwill. The impact of Covid 19 has reduced earnings projections below the level that supports this goodwill.

Covid 19 resulted in the closure of Rainbows End in March 2020 but it reopened to visitors in May 2020. An impairment test of goodwill was undertaken because of the unexpected drop in customers when the park was closed. Management undertook detailed forecasts on customer numbers based on the impact of Covid regulations. Customer numbers are lower than previous assumptions and therefore revenue is lower than previous assumptions. The park has significant fixed costs, so this results in lower expected earnings.

At 31 March 2020, from the tests conducted, there were no other impairments necessitating a writedown of goodwill.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 14 Intangibles

Brands, trademarks and recipes are infinite life intangibles and recorded at cost less accumulated impairment losses (if any). Software and development costs are finite life intangibles and are recorded at cost less accumulated amortisation and accumulated impairment losses. Amortisation for software is charged on a straight line basis over its estimated useful life. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

The principal rates used for software are 10-50%.

All intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair value can be measured reliably.

2019	Brands, trademarks and recipes $000	Software $000	Total $000
Gross carrying amount at the beginning of the year	60,000	2,293	62,293
Additions	-	291	291
Disposals	(60,000)	(544)	(60,544)
Gross carrying amount at the end of the year	**-**	**2,040**	**2,040**
Accumulated amortisation at the beginning of the year	-	727	727
Amortisation expense	-	654	654
Disposals	-	(428)	(428)
Accumulated amortisation at the end of the year	**-**	**953**	**953**
2020			
Gross carrying amount at the beginning of the year	-	2,040	2,040
Additions	-	26	26
Gross carrying amount at the end of the year	**-**	**2,066**	**2,066**
Accumulated amortisation at the beginning of the year	-	953	953
Amortisation expense	-	437	437
Accumulated amortisation at the end of the year	**-**	**1,390**	**1,390**
Net book value			
As at 31 March 2019	-	1,087	1,087
As at 31 March 2020	-	676	676

Impairment testing for intangible assets

The Group tests intangible assets annually for impairment, or more frequently if there are indications that intangible assets might be impaired. The recoverable amounts of each of the intangible assets are determined on a similar basis as for goodwill. The key assumptions underlying the fair value calculations are the same as those applied for the impairment testing of goodwill. The brands and intangibles do not have separately identifiable cash flows from the business' goodwill, therefore have been considered as one cash generating unit.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 15 Trade Creditors

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

	2020 $000	2019 $000
Trade creditors [i]	**13,581**	10,077
GST payable	**902**	1,024
Accrued interest	**680**	936
Deferred income	**1,585**	1,526
Other payables	**6,791**	2,418
	23,539	15,981

[i] The average credit period on purchases of certain goods is 35 days (2019: 38 days). No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 16 Borrowings and Other Financial Liabilities

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

All loans and borrowings are initially recognised at fair value less transaction costs, and subsequently at amortised cost using the effective interest rate method.

(A) BORROWINGS

	2020 $000	2019 $000
Unsecured at amortised cost		
Current		
Loans from non-controlling interests in subsidiaries	9,417	10,820
Non-current		
Loans from non-controlling interests in subsidiaries	977	977
Secured at amortised cost		
Current		
Bank loans [I]	8,956	10,731
Finance lease liabilities	7	7
Non-current		
Bank loans [I]	874	4,535
Finance lease liabilities	19	26
	20,250	27,096
Current portion	14,459	21,558
Non-current portion	7,370	5,538

[I] Bio-Strategy Holdings Limited's bank loans are secured by a first ranking general security agreement over all of the present and after acquired property and expire in June 2020. Discussions are continuing with the bank to extend the loans. Bio-Strategy breached its bank covenants during the year and a waiver has been sought from the bank. No action has been taken by the bank but the bank loan has therefore been classified as a current liability.

NZ Experience Limited's bank loans are secured by a first mortgage over the leasehold interest and a general security agreement over all its assets and expire August 2020.

Polynesian Spa Limited's bank loans are secured by a first mortgage over the leasehold interest and a general security agreement over all its assets, uncalled capital and undertakings of the company and expire in July 2022.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

(B) OTHER FINANCIAL LIABILITIES

The Group enters into derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including forward exchange contracts and interest rate swaps.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

The effective portion of changes in the fair value of derivatives that is designated and qualifies as a cash flow hedge is recognised in other comprehensive income and accumulated in the cash flow hedging reserve.

	2020 $000	2019 $000
Derivatives that are designated and effective as hedging instruments carried at fair value:		
Current		
Foreign currency forward contracts	377	-
	377	-

Note 17 Provisions

The provision for employee benefits represents the present value of the Directors' best estimate of the future cost of economic benefits that will be required in the next 12 months for payment of employee entitlements, such as outstanding annual leave, long service leave and collective agreement payments. This estimate has been made on the basis of future expected wage rates for the forthcoming 12 month period.

The provision for make good is the Directors' best estimate of the future cost to make good any damage to the land in removing any movable fixtures at the expiration of the lease.

	2020 $000	2019 $000
Employee benefits - current	2,156	2,178
Make good on lease - non-current	410	354
	2,566	2,532

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 18 Share Capital

	2020 $000	2019 $000
Ordinary "A" shares (6,165,000 shares) of $1	**6,165**	6,165
Ordinary "B" shares (11,547,000 shares) of $1	**11,547**	11,547
less Treasury shares (2,000 A Shares and 2,000 B Shares)	**(45)**	-
	17,667	17,712

"A" and "B" shares rank equally, except that ""B"" shares carry restricted voting rights. These are limited to voting on proposals to:
(i) sell the whole of Rangatira Limited's undertaking, or
(ii) alter its constitution.
The ""B"" shareholders are not entitled to participate in future cash issues unless the ""A"" shareholders agree. These matters are set out in full in Clause 3 of Rangatira Limited's constitution."

All "A" and "B" shares are fully paid and there are no partly paid shares.

During the year Rangatira acquired 2,000 A Shares and 2,000 B shares for $45,000 under the share buyback programme. These shares are held as treasury stock.

Note 19 Earnings Per Share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. There are no dilutive equity instruments in the Group so basic earnings per share and diluted earnings per share are the same.

	2020 $000	2019 $000
Profit attributable to equity holders of the Parent	**(1,336)**	6,571
Number of shares	**17,708**	17,712
Earnings per share (cents)	**(7.5)**	37.1

Note 20 Dividends

	2020	2019
Amount paid (cents per share)	**60.0**	60.0
Amount paid ($000's)	**10,627**	10,627

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 21 Capital Commitments

	2020 $000	2019 $000
Plant and equipment	**77**	263
Other (i)	**2,637**	1,602
	2,714	1,865

(i) Other capital commitments are for investment funds that are under contract but not invested in at balance date.

Note 22 Contingent Liabilities

There are no significant contingent liabilities (2019: nil).

Note 23 Subsidiary Associate and Joint Venture Companies

The Group financial statements are prepared by combining the financial statements of Rangatira Limited and its subsidiaries as defined in NZ IAS 27 Consolidated and Separate Financial Statements. Consistent accounting policies are employed in the preparation and presentation of the financial statements.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Subsequent to initial recognition, investments in associates are accounted for under the equity method in the Group financial statements.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 23 Subsidiary Associate and Joint Venture Companies (continued)

All subsidiary companies have balance dates of 31 March and are incorporated in New Zealand with the exception of Bio-Strategy Pty Limited, which is incorporated in Australia.

		Percentage owned at 31 March	
	Principal activities	**2020**	**2019**
Auckland Packaging Company Limited	Packaging	100%	100%
Bio-Strategy Holdings Limited	Distribution of scientific equipment	70%	70%
Bio-Strategy Laboratory Products Pty Limited	Distribution of scientific equipment	70%	70%
Bio-Strategy Limited	Distribution of scientific equipment	70%	70%
Bio-Strategy Pty Limited	Distribution of scientific equipment	70%	70%
Domett Properties Limited	Property	63%	63%
Global Science 1	Distribution of scientific equipment	70%	70%
Global Science 2	Distribution of scientific equipment	70%	70%
Global Science GP	Distribution of scientific equipment	70%	70%
Global Science LP	Distribution of scientific equipment	70%	70%
Inflex Systems (I)	Special purpose investment	85%	85%
NZ Experience Limited	Special purpose investment	100%	100%
Polynesian Spa Limited	Tourism	51%	51%
Precision Dispensing Systems Limited (II)	Special purpose investment	85%	85%
Rainbow's End Theme Park Limited	Theme park operator	100%	100%
Rangatira Ventures Limited	Special purpose investment	100%	100%
Tongariro Invt Limited	Special purpose investment	100%	100%
Watt Land Company Limited	Trading investment	100%	100%

(I) Non trading subsidiaries.

(II) Fully diluted shareholding.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Rangatira had significant influence over the following companies for the period ended March 2020. Accordingly, they are recognised as associate companies and equity accounted (note 3).

		Percentage owned at 31 March	
	Principal activities	**2020**	**2019**
Magritek Holdings Limited	Scientific equipment manufacturing	25%	18%
Mrs Higgins (2004) Limited	Manufacturing	50%	50%

Mrs Higgins

At 31 March 2020, a decision was made to impair the $986,000 of goodwill associated with Mrs Higgins (2004) Limited. There is still $1,567,000 of goodwill associated with Mrs Higgins. This goodwill has been reviewed every year since acquisition.

Rangatira acquired Mrs Higgins in 2017 recognising its 50% share of acquired assets and liabilities at fair value and resulting in goodwill of $2,553,000. Since investment Mrs Higgins earnings have been below initial expectations but supported this level of goodwill. The impact of Covid 19 has led us to review our earnings projections.

Covid 19 resulted in a significant decline in Mrs Higgins sales to the food service customers which are over 70% of sales. Mrs Higgins sales to supermarkets increased during the period but didn't offset the decline in revenue. Management have prepared detailed forecasts showing revenue from food service customers will not grow as quickly as previously assumed. Therefore management have reduced the growth in earnings forecasts

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 24 Related Party Transactions

Transactions and Balances with Associates and Key Management Personnel

The transactions and balances below are those between the Parent and its associates and key management personnel.

	2020 $000	2019 $000
Revenue		
Directors' fees received from associates	**3**	3
Expenses		
Key management personnel expenses - short term	**3,020**	2,107

No debts to associates, key management personnel or other related parties were written off or forgiven during the year (2019: nil).

Note 25 Financial Instruments

(a) Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Financial and capital management involves ensuring that the Group income, expenses and statement of financial positiion are managed in such a way as to maximise returns to investors. This includes:

- Ensuring that cash flows from dividends and other income are utilised as they come available. This may be by way of capital expenditure for expansion of the business, or simply by debt repayments or by ensuring that cash balances are earning competitive interest rates.
- Ensuring that borrowings are used prudently, minimising interest costs, while at the same time making appropriate decisions about the trade-off between the cost of borrowing and the potential return from investment opportunities.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 16, cash and cash equivalents and equity attributable to equity holders of the Parent, comprising issued capital, retained earnings and reserves.

Some of the Group's subsidiaries are subject to externally imposed bank covenants as part of their secured bank loan facilities and Bio-Strategy breached its covenants, as disclosed in note 16.

(b) Foreign Currency Risk Management

The Group's risk management practices remain consistent with the prior year. The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Exchange differences are recognised in the profit or loss in the period in which they arise except for exchange differences on the Group's foreign operations assets and liabilities which are recognised in the Group's foreign currency translation reserve.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date was as follows:

	2020 $000	2019 $000
Assets		
AUD	**6,779**	18,285
GBP	**-**	6,896
USD	**34,135**	10,516
Liabilities		
USD	**8,968**	1,580
EUR	**527**	-
AUD	**7,899**	2,891
GBP	**116**	118
CHF	**21**	19

(c) Forward Foreign Exchange Contracts

It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts within 50% to 100% of the exposure generated. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 6 months within 40% to 50% of the exposure generated.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 25 Financial Instruments (continued)

(d) Categories of Financial Instruments

2019	Loans and receivables $000	Fair value through other comprehensive income $000	Fair value through profit or loss $000	Financial liabilities at amortised cost $000	Investments accounted for using the equity method $000	Total $000
Assets						
Cash and cash equivalents	81,875	-	-	-	-	81,875
Trade and other receivables	12,821	-	-	-	-	12,821
Other financial assets	-	80,790	3,858	-	11,073	95,721
Total financial assets	94,696	80,790	3,858	-	11,073	190,417
Total non-financial assets	-	-	-	-	-	86,847
Total assets	94,696	80,790	3,858	-	11,073	277,264
Liabilities						
Trade and other payables	-	-	-	15,981	-	15,981
Borrowings and other financial liabilities	-	-	-	27,096	-	27,096
Total financial liabilities	-	-	-	43,077	-	43,077
Total non-financial liabilities	-	-	-	-	-	11,882
Total liabilities	-	-	-	43,077	-	54,959

2020	Loans and receivables $000	Fair value through other comprehensive income $000	Fair value through profit or loss $000	Financial liabilities at amortised cost $000	Investments accounted for using the equity method $000	Total $000
Assets						
Cash and term deposits	52,493	-	-	-	-	52,493
Trade and other receivables	12,864	-	-	-	-	12,864
Other financial assets	1,845	89,403	3,547	-	13,007	107,802
Total financial assets	67,202	89,403	3,547	-	13,007	173,159
Total non-financial assets	-	-	-	-	-	109,054
Total assets	67,202	89,403	3,547	-	13,007	282,213
Liabilities						
Trade and other payables	-	-	-	23,539	-	23,539
Borrowings and other financial liabilities	-	-	377	22,102	-	22,479
Total financial liabilities	-	-	377	45,641	-	46,018
Total non-financial liabilities	-	-	-	-	-	35,249
Total liabilities	-	-	377	45,641	-	81,267

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

(e) Interest Rate Risk

The Group has long term variable rate borrowings, which are used to fund ongoing activities. Management monitors the level of interest rates on an ongoing basis, and from time to time, will lock in fixed rates. The notional principal or contract amounts of the Group's long term variable rate borrowings at balance date were $8,831,000 (2019: $7,711,000).

(f) Credit Risk And Concentrations Of Credit Risk

The Group incurs credit risk from trade debtors and transactions with financial institutions. The risk associated with trade debtors is managed with a credit policy, which includes performing credit evaluations on customers. The risk associated with financial institutions is managed by placing cash and short-term investments with registered New Zealand and Australian banks. The Group is not exposed to any other concentrations of credit risk other than trade receivables as disclosed in note 7.

(g) Listed Equity Price Risk And Other Price Risk Sensitivity Analysis

The Group is exposed to listed equity price risks arising from listed equity investments. The fair value through OCI investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

A sensitivity analysis of the exposure to listed equity price risks at reporting date shows if the market price had been 1% higher/lower, while all other variables were held constant, the investment held at fair value reserve would have increased/decreased by $594,000 for the Group.

Investments in unlisted equity securities are, by their nature, less liquid. For the unlisted equity investments carried at fair value, a movement in the net asset valuations of 1% changes the value of the investments held at fair value reserve by $26,000, and the financial assets at fair value through profit and loss by $10,000.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 25 Financial Instruments (continued)

(h) Fair Value of Financial Instruments

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that includes inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1, 2 and 3 of the fair value hierarchy during the year ended 31 March 2019 (2018: nil).

2019	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit and loss				
Shares	1,629	-	2,229	**3,858**
Available for sale financial assets				
Shares	49,407	-	31,383	**80,790**
Total financial assets	51,036	-	33,612	**84,648**

2020	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit and loss				
Shares	988	-	2,559	**3,547**
Fair value through other comprehensive income				
Shares	59,368	-	30,037	**89,405**
Total financial assets	60,356	-	32,596	**92,952**

The Group has investments in unlisted equity securities carried at an estimate of fair value. As there is no quoted market price for these securities, valuation techniques must be utilised to determine fair value. The valuations are carried out using the IPEV valuation guidelines, which also ensure compliance with NZ IFRS 13.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

(i) Liquidity Risk Management

The following tables detail the Group's expected maturity for its non-derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities including interest that will be earned or paid on those assets and liabilities except where the Group anticipates that the cash flow will occur in a different period.

Financial liabilities	Less than 1 month $000	1-3 months $000	3 months to 1 year $000	1-5 years $000	5+ years $000	Total $000
2019						
Non-interest bearing	15,745	235	-	-	-	**15,980**
Finance lease liability	-	-	7	26	-	**33**
Variable interest rate instruments	1,800	-	1,001	4,910	-	**7,711**
Fixed interest rate instruments	8,556	-	9,797	1,000	-	**19,353**
Total financial liabilities	26,101	235	10,805	5,936	-	**43,077**
2020						
Non-interest bearing	22,885	520	134	-	-	**23,539**
Finance lease liability	1	1	5	19	-	**26**
Variable interest rate instruments	-	7,956	-	875	-	**8,831**
Fixed interest rate instruments	97	2,822	9,914	790	-	**13,622**
Total financial liabilities	22,983	11,299	10,053	1,684	-	**46,018**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 26 Cashflow Reconciliation

Definition of terms used in the Statement of Cashflow:

'Cash and cash equivalents' includes cash on hand, demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. Bank overdrafts are shown within borrowings in the Statement of Financial Position.

'Operating activities' include all transactions and other events that are not investing or financing activities.

'Investing activities' are those activities relating to the acquisition and disposal of current and non-current investments and any other non current assets.

'Financing activities' are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity capital.

	Note	2020 $000	2019 $000
Profit after tax		**97**	9,268
Add/(less) non-cash items:			
Share of retained profit for the year from associate companies		**129**	(1,113)
Depreciation and amortisation	10,11,12,14	**6,856**	4,951
Other miscellaneous non-cash items		**1**	56
(Decrease)/increase in deferred tax		**(8,198)**	1,001
Impairment loss on investment	11,13,23	**9,104**	-
		7,892	4,895
Add/(less) movements in other working capital items:			
Change in trade receivables		**(44)**	(3,038)
Change in inventories		**(888)**	(2,498)
Change in tax receivable		**-**	105
Change in other current assets		**(240)**	433
Change in trade payables		**7,558**	5,192
Change in current tax payable		**1,262**	(1,960)
Change in provisions		**34**	(3,593)
Change in other current financial liabilities		**554**	(2,167)
		8,236	(7,526)
Less items classified as investing activities:			
Net gain on sale of investments		**(429)**	(34)
Net (gain)/loss on sale of fixed assets		**(1,559)**	56
		(1,988)	22
Net cash inflows from operating activities		**14,237**	6,659

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 27 Segmental Information

	Public investments		Private investments		Group	
	2020 $000	2019 $000	2020 $000	2019 $000	2020 $000	2019 $000
Revenue	**1,880**	1,476	**111,008**	114,884	**112,888**	116,360
Segment profit before finance costs, interest revenue and tax	**357**	280	**4,293**	4,706	**4,650**	4,986
Interest revenue					**1,611**	974
Impairment loss on investments					**(9,104)**	-
Share of profit for the year from associate companies					**1,759**	1,113
Finance costs					**(2,472)**	(1,731)
Tax					**3,653**	(1,541)
Profit after tax from continuing operations					**97**	3,801
Segment assets	**60,356**	51,036	**221,857**	226,228	**282,213**	277,264
Segment liabilities	-	-	**81,267**	54,959	**81,267**	54,959

Rangatira's internal organisational structure is analysed in the format disclosed. Rangatira's risk management, investment analysis and decision making regarding risk and returns are best represented in the segment reporting format disclosed.

Note 28 Subsequent Events

Rangatira Limited has agreed to pay a final dividend of 30 cents per share on 24 June 2020.

Note 29 Standards Or Interpretations Not Yet Effective

At the date of authorisation of these financial statements various standards, amendments and interpretations have been issued by the External Reporting Board but have not been adopted by the group as they are not yet effective.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

Note 30 Discontinued Operations

On 4 February 2019 the Group agreed to sell its 62.5% interest in Hellers Limited.

This business was treated as a discontinued operations as at 31 March 2018. The comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

The impact on the Group following the sale of these components is shown below

A. Results from discontinued operations	2019 $000
Revenue	228,495
Elimination of inter-segment revenue	
External Revenue	228,495
Expenses	223,972
Elimination of intragroup expenses.	(3,513)
External Expenses	220,459
Results from Operating Activities	8,036
Income Tax	(2,102)
Loss on sale	(468)
Profit/(loss) from Discontinued Operations	5,486

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2020

B. Effect of the disposal on the financial position of the Group	**2019 $000**
Property, Plant and Equipment	45,264
Goodwill and Intangibles	60,116
Goodwill in Moira Mac	20,617
Inventory	44,595
Trade and Other Receivables	25,612
Cash and Cash Equivalents	9,635
Bank Loans and Debt	(85,554)
Related Party Loans	(31,075)
Current and Deferred Tax Liability	(15,660)
Trade and Other Payables	(31,370)
Net Assets and Liabilities	42,179
Less: NCI	(15,774)
Movement in reserves	(419)
Goodwill and Intangibles	27,656
Parent Share	53,642
Consideration Received, Satisified in Cash	54,921
Gain on Sale	1,279
Less: Transaction costs	(1,747)
Profit on Sale of Discontinued Operations	**(468)**

C. Cashflows from discontinued operations	**2019 $000**
Cash inflows from operating activities	231,661
Cash applied to operating activities	(226,939)
Net cash inflows from operating activities	4,722
Cash inflows from investing activities	
Cash applied to investing activities	(3,334)
Net cash inflows from investing activities	(3,334)
Cash inflows from financing activities	8,626
Cash applied to financing activities	
Net cash inflows from financing activities	8,626
Net cash flows for the year	**10,015**

Independent Auditor's Report

To the shareholders of Rangatira Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Rangatira Limited (the company) and its subsidiaries (the group) on pages 21 to 61:

i. present fairly in all material respects the Group's financial position as at 31 March 2020 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2020;
- the consolidated income statement, statements of other comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the group in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has also provided other services to the group in relation to tax services, other assurance services and corporate finance services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the company, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards;

— implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objective is:

— to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at:

http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our independent auditor's report.

KPMG

KPMG
Wellington

3 June 2020

SUPPLEMENTARY INFORMATION

Dividends

The Directors have declared a partially imputed final dividend of 30 cents per share to be paid on 24 June 2020. An interim dividend of 24 cents per share was paid in December 2019. This makes a total of 54 cents per share for the year, partially imputed.

Consolidation

The results incorporate all trading subsidiaries and associates.

Directors

David Pilkington – Chair
Douglas (Keith) Gibson – Deputy Chair
David Gibson
Sophie Haslem
Ian (Sam) Knowles
Catherine Quinn ONZM
Richard Wilks

Directors changes

David Gibson and Catherine Quinn ONZM were appointed as directors on 13 February 2019 by the Board and, in accordance with the provisions of the Company's constitution, elected as directors at the Annual Meeting of Shareholders on 29 July 2019.

Directors re-election

In accordance with the provisions of the Company's constitution, Douglas (Keith) Gibson and Richard Wilks will retire by rotation and being eligible will offer themselves for re-election.

Remuneration of Directors

Directors of Rangatira Limited were paid fees as Directors of Rangatira Limited during the year as follows:

D K Gibson	$72,250
D E J Gibson	$61,250
S Haslem	$71,250
I S Knowles	$61,250
D A Pilkington	$103,250
C A Quinn	$61,250
R A Wilks	$61,250

Transactions with the company

No Director has entered into any transaction with the Company other than in the normal course of business.

Remuneration of Employees

The number of employees of Rangatira and its subsidiaries, including executive directors of subsidiaries, whose income during the year was in the specified bands, are as follows:

$100,000 - $110,000	17
$110,001 - $120,000	14
$120,001 - $130,000	11
$130,001 - $140,000	7
$140,001 - $150,000	5
$150,001 - $160,000	2
$160,001 - $170,000	3
$170,001 - $180,000	1
$180,001 - $190,000	3
$190,001 - $200,000	1
$200,001 - $210,000	1
$240,001 - $250,000	1
$250,001 - $260,000	3
$260,001 - $270,000	1
$300,001 - $310,000	1
$390,001 - $400,000	1
$510,000 - $520,000	1

Use of company information

During the year, the Board received no notices from Directors of the Company requesting to use Company information received in their capacity as directors that would not otherwise have been available to them.

Auditor

The Company's Auditor through the year was KPMG.

On behalf of the Board

D A Pilkington
Chair

David Pilkington - Chair

Keith Gibson - Deputy Chair

David Gibson

Sophie Haslem

Sam Knowles

Cathy Quinn ONZM

Richard Wilks

The boards of subsidiary companies, major investments, and Rangatira board sub-committees during the years included Rangatira Directors as follows:

David Pilkington (Chair)

- Rangatira Remuneration Committee

Keith Gibson (Deputy Chair)

- New Zealand Pastures
- Polynesian Spa
- Rangatira Renumeration Committee
- Rangatira Audit Committee

David Gibson

- Bio-Strategy

Sophie Haslem

- Rangatira Audit Committee (Chair)

Sam Knowles

- Rangatira Remuneration Committee
- Magritek

Richard Wilks

- Rainbow's End (Chair)
- Mrs Higgins (Chair)
- Rangatira Audit Committee

Cathy Quin ONZM

- Rainbow's End

BOARD OF DIRECTORS

Rangatira Limited (Rangatira) Annual Report Disclosures under the Takeovers Code (Rangatira Limited) Exemption Notice 2017

BACKGROUND

At the annual general meeting of Rangatira held on 31st July 2017, the shareholders of Rangatira approved the acquisition by Rangatira of up to an aggregate of 600,000 A shares and 600,000 B shares from shareholders during the period from 31 July 2017 to 31 July 2022 **(Buyback)**, on the terms and conditions more fully explained in the explanatory notes accompanying the notice of meeting for the 31 July 2017 meeting.

The Takeovers Panel granted to Rangatira an exemption from the Takeovers Code so that the Code Shareholders (listed in the Appendix) are exempted from rule 6(1) of the Takeovers Code in respect of any increased percentage of voting rights held or controlled by any of them as a result of the Buyback. The disclosures below are required by the Takeovers Code (Rangatira Limited) Exemption Notice 2017 **(Exemption Notice)**.

	Disclosure requirements	**Disclosure**
a	A summary of the terms of the Buyback, as approved at the AGM on 31 July 2017.	Rangatira intends to make one or more offers **(Offer)** to shareholders of Rangatira to acquire up to an aggregate of: • 600,000 A shares in Rangatira; and • 600,000 B shares in Rangatira, on the following terms: • the consideration for each Share will be determined by the board from time to time, however will not exceed 80% of the assessed asset backing value of each Share as set out in the last public statement of that assessed asset backing value made by Rangatira prior to the Offer; and • the Offer(s) will be made between 31 July 2017 and 31 July 2022, however Rangatira will not be obliged to make Offers and may cease doing so at any time. Rangatira will pay the price for each share acquired under the Buyback within five business days after the date of each acquisition. The Shares acquired by Rangatira will be held as treasury shares until the Shares acquired equal 5% of the number of shares of the same class previously in issue.

b	A statement, as at the end of the financial year to which the report relates, of:		
	i	the number of voting securities on issue acquired under the Buyback;	2,000 A shares at $11.20 per share
	ii	the number of voting securities on issue that are held or controlled by the Code Shareholders, and the percentage of all voting securities on issue that that number represents;	2,238,617 A Shares being 36.32% of the total A shares on issue.
	iii	the percentage of all voting securities on issue that are held or controlled, in aggregate, by the Code Shareholders and the Code Shareholders' associates;	36.32% of the total A shares on issue.
	iv	the maximum percentage of all voting securities on issue that could be held or controlled by the Code Shareholders if Rangatira acquires the approved maximum number of voting securities;	40.23%
	v	the maximum percentage of all voting securities on issue that would be held or controlled, in aggregate, by the Code Shareholders and the Code Shareholders' associates if Rangatira acquires the approved maximum number of voting securities;	40.23%
	vi	in relation to each of the matters referred to in paragraphs (i) to (v), any change, since the notice of meeting containing the resolution to approve the Buyback or the last annual report, as the case may be, to: A. the Code Shareholder under clauses 6 to 8 of the Exemption Notice; and B. the number, percentage, or maximum percentage, as the case may be, of voting securities held or controlled as a result of that change of the Code Shareholder.	During the financial year ended 31 March 2020, Christopher McKenzie and Sarah McLennan (as trustees of JR McKenzie Deaf Development) sold 100,000 A shares. The number of voting securities on issue that are held or controlled by the Code Shareholders and the Code Shareholders' associates therefore reduced by 100,000 during the financial year.
c	The assumptions on which the particulars referred to in paragraph (b) are based.		The information in this table assumes that: • the number of voting securities in Rangatira is the number of voting securities on issue at the end of Rangatira's 31 March 2020 financial year **(calculation date)**; • there is no change in the total number of voting securities on issue between the calculation date and the end of the Buyback period, other than as a result of the Buyback; • the Code Shareholders do not participate in the Buyback; and • Rangatira acquires the approved maximum number of its own voting securities.

APPENDIX

CODE SHAREHOLDERS

Shareholder	The maximum percentage of all voting securities on issue that the Code Shareholder could hold or control if Rangatira acquired the approved maximum number of voting securities
Gibson Family	
Anna Elizabeth Gibson	0.99%
Douglas Keith Gibson	1.14%
Douglas Keith Gibson, Robyn May Gibson and William Duncan Macdonald (as trustees of a family trust)	0.48%
Nicola Kate Gibson	0.99%
Robyn May Gibson	7.06%
Robyn May Gibson, Douglas Keith Gibson and Ian Gary MacKegg (as trustees of a family trust)	1.80%
Sarah Louise McLennan	0.99%
McKenzie Family	
Ruth Anne McKenzie	6.37%
Christopher McKenzie	1.86%
David McKenzie	1.84%
John Allan McKenzie and Jennifer Mary McKenzie (holding on behalf of Ethan Cecil Roy McKenzie)	1.03%
John Allan McKenzie and Jennifer Mary McKenzie (holding on behalf of Alberta Louis Helen McKenzie)	1.03%
Aubrey Meredith Bloomfield	1.03%
Sibyl Ella May Bloomfield	1.03%
Others	
Christopher McKenzie and Sarah Louise McLennan (as trustees of the JR McKenzie Trust)	7.23%
Ngā Manu Trust (a charitable trust registered under the Charitable Trusts Act 1957)	5.35%
Total	**40.23%**

Final CEC Hui at Kohutūroa Marae, Horowhenua (March 2020)

J R McKenzie Trust

Principal Charitable Shareholder

J R MCKENZIE TRUST

CONNECTING EDUCATION AND COMMUNITIES:

Five years of transformation and change

2020 marks the end of another 10 years of grantmaking by the J R McKenzie Trust with its strategic focus on Disadvantaged Children and their Families (DCF), Māori Development and other Issues of Social Justice.

In the DCF focus area, the Trust established a proactive programme of work, known as Connecting Education and Communities, that would focus on improving access to, and achievement in education for children whānau and communities who were in need of support.

Now, 10 years later as we reflect on the outcomes and learnings we have mutually gained with the communities we funded, we understand how the CEC programme demonstrated effective practice in empowering communities to have a greater role in attaining their educational aspirations. By being strength-based, allowing time for community voices to be heard, and by supporting locally driven solutions, CEC has developed a way of working that is leading to long-term change in the six communities it has supported.

Te Hā o Mātauranga, Learning in Kaikōura - is now a "go to" place for Kaikōura residents. A place that promotes opportunities, promotes conversation around education and allows space for families to explore together how best to support their education aspirations.

Muaūpoko Tribal Authority – Tūngia te Koingo – *sparking the fires within to spark the passion for Learning*. The long-term goals of the CEC project for this Iwi are to ensure that Muaūpoko identity, assets and environment are protected, iwi, hapū, marae are empowered and Muaūpoko economic wealth, health, culture and social wellbeing are enhanced.

Ranui Action Project – *When we work together, we will flourish and succeed*. Their vision is for empowered families with strength and pride in their identity who can confidently face the future.

Whanganui Learning Centre – Changemakers – *Putting the person and their voice at the Centre*. The aim of the Whanganui project is for whanau to have increased capacity for self-determination to connect through and with education in their communities, improving educational outcomes and well-being for the whole of whanau.

Te Rūnanga Ā Iwi O Ngāpuhi – Tū Tama Ora – Te Kura Takawaenga ō Kaikohe are building a te ao Māori framework to engage taitama in education, so that they and their whānau can strengthen their connections with education, and develop their leadership and innovative thinking.

ATAWHAI Charitable Trust – Tairāwhiti rangatahi and their whānau, supported by ATAWHAI Trust aim to reverse poor education and hauora statistics by deepening relationships and connections through whakapapa, mentoring opportunities and implementing whānau action plans.

Te Anga Rautaki – Our Strategic Framework

Te Anga Rautaki provides an overarching view of the Trust's vision, priority, desired impact, principles of practice and values for 2021 onwards.

The Trust's vision of *'A socially just and inclusive Aotearoa New Zealand; Kia hua mai he whenua ka toko i te tika me te pono hei korowai mō Aotearoa'* remains relevant today and will continue to provide a solid touchstone for another decade more. With our priority squarely identified as the advancement of equity, we were able to land on the four communities of interest with ease: children, young people and their whānau; Māori, Pacific Peoples, and communities that experience exclusion.

From there, we identified the impact we were seeking to support. More connected communities, more inclusive decision-making, increased capacity for transformational change, equitable public policies and equitable access to resources were all deemed as essential outcomes if we are to work towards our vision of a socially just and inclusive Aotearoa New Zealand. Our principles of practice and values provide us with a roadmap to ensure our mahi supports communities throughout the motu in a way that values and respects ngā kaikōkiri/ grantees in a spirit of true partnership.

For more information about the J R McKenzie Trust, its expenditure, its mahi and its grantees, visit

www.jrmckenzie.org.nz, or read its 2019 annual report.

Charitable Shareholder

NGĀ MANU

Conserving and preserving the wildlife and plants of Aotearoa/NZ, while strengthening connections between people and nature has been the kaupapa of the Ngā Manu charitable trust for nearly fifty years. The Trust was begun by Peter McKenzie with support from distinguished wildlife and plant experts and from his father Sir Roy McKenzie.

The Trust cares for a 14 ha reserve which preserves the largest remnant of lowland swamp forest on the Kāpiti Coast and provides a haven for native wildlife. The compact and flat nature of the Reserve offers an opportunity for people of all ages and abilities to have an experience in nature. Visitors have the options of exploring the forest and wetland environments, as well as using the large open lawns for picnicking. In addition to the wildlife of the Reserve, there are several enclosures and a kiwi house containing species which Ngā Manu is involved with

Ngā Manu founder Peter McKenzie with sons Chris & David circa 1980.

through breed for release programmes. We partner with DOC to protect and breed rare species to repopulate wild places throughout the country, as well as supporting research into the plants and wildlife of the Reserve.

We have also a long history of being a facility where people in the local community can bring injured native birds which are rehabilitated and re-released.

To give everyone in our community the opportunity to experience the natural world we provide talks and experiences to education groups and visitors, we also provide free admission to young children and to people with disabilities and their carers.

We are assisted by around fifty volunteers who donate an enormous number of days each year to every aspect of the Reserve, from pest control through to guiding and customer service.

"We have no government funding, although we do have strong community support from Friends of Ngā Manu Trust and many volunteers and donors. We operate on the smell of an oily rag and if it wasn't for the income from our Rangatira shares we probably wouldn't be able to offer this precious natural asset back to the community," says Matu Booth, Manager of Ngā Manu.

For more information about Ngā Manu's conservation and community programmes head to ngamanu.co.nz or contact us at 04 293 4131

Charitable Shareholder

Te Omanga Hospice
Te Whare Manaaki Tangata

TE OMANGA HOSPICE

It's one year on from the rebuild of Te Omanga Hospice and they now face a new challenge; providing compassionate care and support to people during a global pandemic.

Te Omanga Hospice's interdisciplinary team of specialist doctors, nurses, therapists and volunteers provide palliative care to those living with a terminal or life limiting illness in the Hutt Valley

Prior to the country going into lockdown, Te Omanga deployed its pandemic plan and were preparing for the worst. "It was a time of great uncertainty and heightened anxiety for everyone. Our priority was, and still is, on keeping our patients, families, staff and volunteers safe," says Biddy Harford, Chief Executive of Te Omanga Hospice.

There have been many challenges for patients and staff of Te Omanga. "Our vulnerable patients not only face the end of their life, but they have to deal with the restrictions of COVID-19 like self-isolation and physical distancing. Our staff have adapted to the situation, often operating virtually but they miss the physical connection with families – not being able to give someone a hug when needed can be difficult."

As a Charitable Trust, COVID-19 has affected Te Omanga's ability to raise funds to support its service. Its volunteer workforce was stood down, community events were cancelled or postponed, and its Hospice Shops were temporarily closed.

Biddy Harford, CE of Te Omanga Hospice, in the McKenzie Centre of the hospice. A painting of Te Omanga Hospice Founder, Sir Roy McKenzie, features in the background and presides over the multifunction room.

Biddy talks about how fortunate they are to benefit from Sir Roy McKenzie's generosity and foresight. "At times like this we are grateful for Sir Roy's continued support through the Te Omanga Hospice Foundation. He was a remarkable man who was instrumental in setting up our hospice and ensuring its ongoing sustainability."

To find out more or support Te Omanga Hospice, visit teomanga.org.nz

Te Omanga Hospice's new building completed April 2019.

DIRECTORY

BOARD

D A Pilkington - Chair
D K Gibson - Deputy Chair
D E J Gibson
S Haslem
I S Knowles
C A Quinn ONZM
R A Wilks

EXECUTIVE

M J Dossor -
Chief Executive Officer
C J Bradshaw -
Chief Financial Officer

COMPANY

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SHARE TRADING AND PRICE INFORMATION

Unlisted Securities Exchange
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www.usx.co.nz

IMAGE COURTESY OF NGĀ MANU IMAGES

RANGATIRA
INVESTMENTS