RANGATIRA INVESTMENTS

ANNUAL REPORT 2021

www.rangatira.co.nz

ANNUAL MEETING of SHAREHOLDERS

Monday 26th July 2021, 4.30pm

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Wellington

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INVESTING IN NEW ZEALAND'S FUTURE

Founded in 1937, Rangatira Investments has a proud history of investing in leading New Zealand companies. In the 84 years since J R McKenzie established Rangatira, we have been a key investor in many iconic New Zealand businesses over a wide cross-section of industry sectors.

We believe in partnering with the best business leaders to generate both dividend income and asset growth. With a permanent asset base, we invest for the long-term alongside business owners to build superior companies and brands.

From its initial holding in the McKenzie department store chain, Rangatira was structured to enable its shares and the attached income to be gifted to a series of charitable trusts, many of whom support and develop young people. We recognise and embrace our responsibility as an investor in New Zealand and strive to be the kaitiaki of the funds entrusted to us by our founder over 80 years ago.

We manage our investments with shareholders at the forefront of our thinking – many of these being charitable trusts that would find it harder to make their own unique contribution to the wellbeing of New Zealanders without our contribution.

Rangatira embodies the pioneering and philanthropic vision of the McKenzie family. Through a desire for growing great New Zealand businesses while supporting those that improve the wellbeing of New Zealanders, including the J R McKenzie Trust, we embrace our guardianship of the McKenzie family legacy.

J R McKenzie Trust · Ngā Manu Nature Reserve · Cystic Fibrosis · Te Omanga Hospice · National Foundation for Deaf & Hard of Hearing · Outward Bound · Birthright New Zealand · YWCA · Women's Refuge

INVESTMENT PERFORMANCE

NET ASSET VALUE OF
$14.87
per share.

TOTAL SHAREHOLDER RETURN
21% pa
against benchmark of 16%

15-YEAR RETURN
9.2% Rangatira
8.5% NZX50

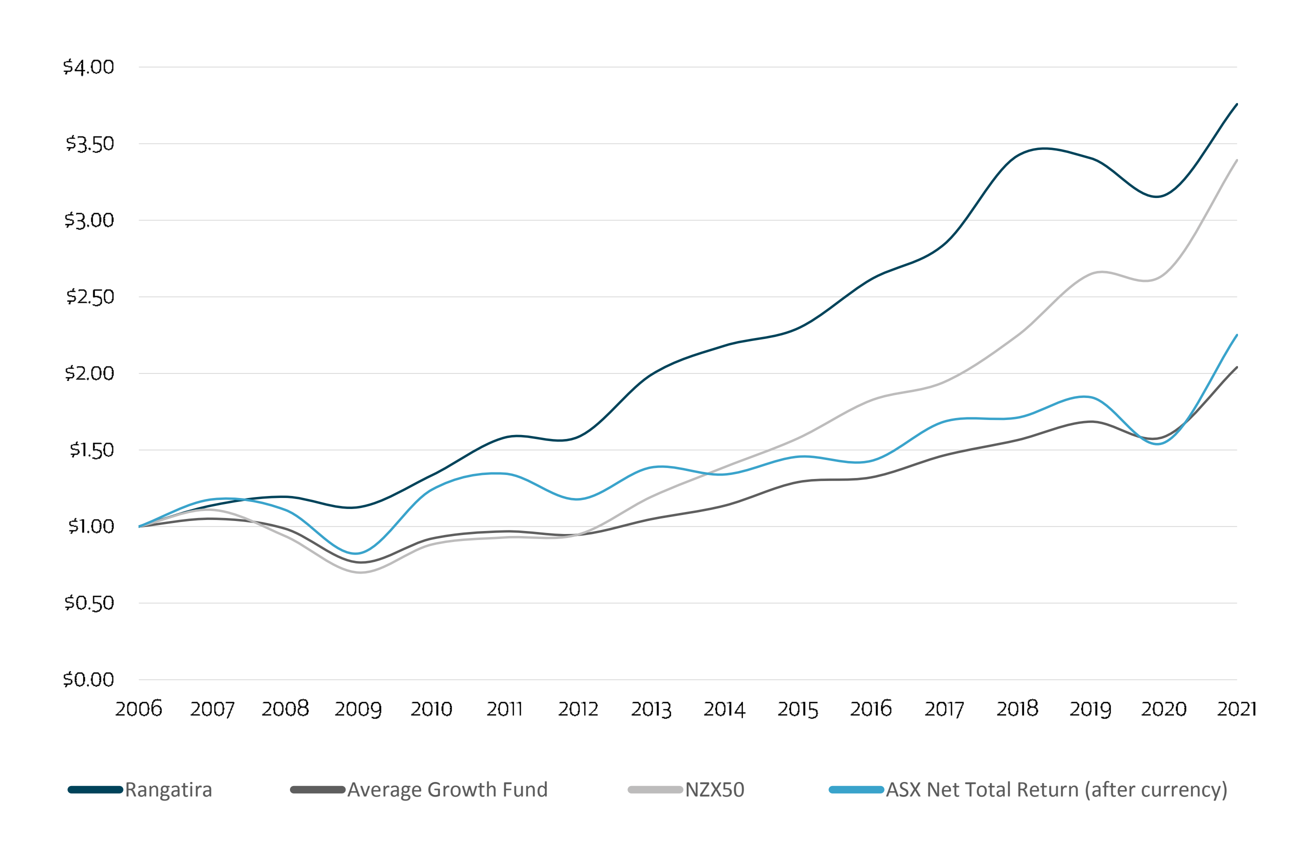
NET PROFIT AFTER TAX $9.9m

OPERATING EARNINGS
UP 111%

DIVIDEND
60 cents
per share

RETURN ON PUBLIC EQUITIES VS BENCHMARK
37.5% Rangatira
27.4% Benchmark

VALUE OF $1 INVESTED OVER THE LAST 15 YEARS



DAVID PILKINGTON
Chair

MARK DOSSOR
Chief Executive Officer

CHAIRMAN AND CEO'S REPORT

The 2021 financial year has been one of the most unpredictable in living memory.

The start of the financial year coincided with market turmoil as COVID-19 spread worldwide. Since then, the effects of the pandemic have been felt unevenly between households, businesses, sectors and countries.

Although New Zealand and Australia have fared relatively well compared to other countries from a public health standpoint, the economic impacts have been disparate, and our own portfolio exemplifies this. Overall, the Group has adapted to the pandemic better than expected, and this is in large part due to the hard work of our people, from our customer facing employees through to our management teams. The fact that most of our businesses entered the pandemic with little or no debt was also helpful. We remain focused on supporting our portfolio companies through the ever-changing environment.

The result for the year was very pleasing, with total shareholder return for FY21 of 21 per cent, against our benchmark return of 16 per cent.

The result is a consequence of several of our investments performing much stronger than we had expected, including our listed portfolio, where we were favourably exposed to the recovery in equity markets from April last year. To some extent, this performance is a reversal of the write downs we had made last year, but this is not to underplay some very good performance across the portfolio.

Operating Results

	FY21 $m	FY20 $m
Operating earnings	9.1	4.3
NPAT	9.9	(1.3)
Dividend	10.6 60 cps	9.6 54 cps
NAV per share – Audited Accounts	$12.92	$11.47
NAV per share – Directors' Valuation	$14.87	$12.77

Operating earnings for the year were $9.1m, up from $4.3m, predominantly due to Bio-Strategy's strong recovery after a very challenging FY20. The rest of the private investment portfolio in aggregate was largely in line with the prior year. This is a far stronger outcome than we anticipated at the beginning of the financial year, and almost the entire portfolio exceeded budget.

Net profit after tax was also up. Included in this is a gain on sale of shares in Aroa Biosurgery. We owned the shares prior to its successful initial public offering (IPO) on the ASX in July where the shares rose 80 per cent on the first day of trading. Although the share price has since dropped back, it is still well ahead of the listing price.

On the back of Rangatira's overall performance, the Directors are confident to lift the dividend to a total of 60 cents for the year, making the final dividend payable in July of 36 cents per share.

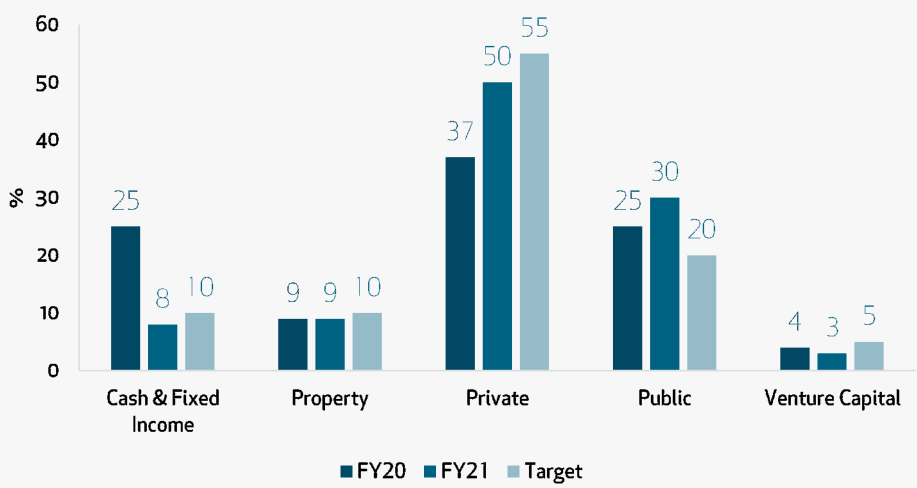
The underlying cashflow of the portfolio is 3 per cent of Net Asset Value. We consider this an important metric, given the aim of funding a regular dividend to shareholders of approximately 4 per cent per year. Although the current cashflow of the portfolio is slightly behind the dividend yield, we are comfortable with the portfolio's future cashflow, given expected yield from our existing holdings and the potential of those growth holdings not currently generating cash.

The increase in Director's valuation has been driven largely by the strong performance of the listed portfolio, the turnaround from Bio-Strategy and continued improvement in the value of our Magritek and kiwifruit investments.

Looking forward we expect growth to come from Magritek, Bio-Strategy, Partners Life, Rainbows End, Fiordland Lobster and our kiwifruit orchards.

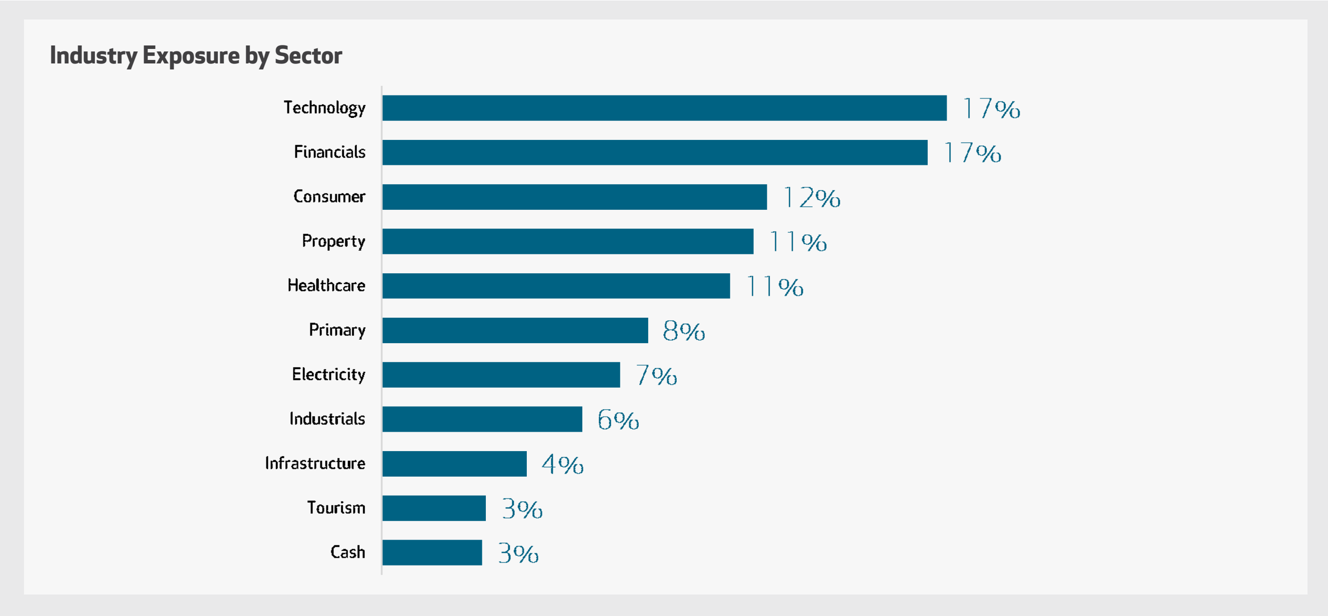
Asset Allocation

We made further progress during the year toward our target asset allocations. Our Private investment exposure has risen from 37 per cent to 50 per cent due to both new investments and revaluations. This increases to 63 per cent of the portfolio when we include our direct holdings in Property and Venture Capital investments that make up 63 per cent of the portfolio. Our listed investments are currently 30 per cent of the portfolio, but we plan to reduce this as we focus on investing in new private opportunities.



As well as considering allocation across asset classes, we also keep an eye on the industry exposures, as illustrated below. This is a mix of our holdings in private companies and listed assets.

- Our Technology exposure is through Magritek, venture funds and listed assets.
- The Financial sector exposure is through Partners Life and our listed assets.
- Consumer includes Rainbows End, Mrs Higgins and some listed assets.
- Infrastructure and Electricity exposures are comprised of listed assets.
- Primary sector exposure includes our holdings in NZ Pastures, Fiordland Lobster, kiwifruit orchards and some listed assets.
- Property exposure is a mix of direct holdings and listed assets, but excludes agricultural land.

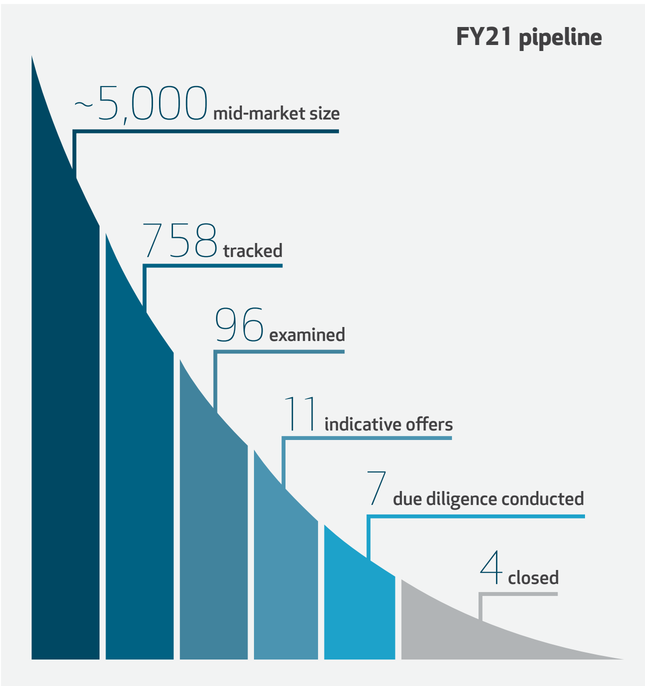


New Investments

The investment environment has been challenging, with slightly reduced market activity during the year. Some processes suspended early last year as the pandemic emerged, and many stressed companies have avoided the need for raising capital through government support and a stronger than expected economy.

Amongst this backdrop, we have been no less active in our investment activity. We made a number of investments during the year:

- We purchased additional shares in Fiordland Lobster with our ownership having risen to 6.3 per cent of the business post-balance date.



- We committed to two additional venture capital funds during the year: Movac Fund 5 and Icon Ventures VII. These are the newest funds from managers with whom we are already invested. The existing investments are performing well with good returns, and so we have been happy to continue our support.
- We invested into BePure; a scientific wellness company founded by clinical nutritionist Ben Warren.
- We recapitalised NZ Pastures with other New Zealand shareholders, increasing our stake to 20 per cent.
- We participated in Partners Life's capital raise to fund an acquisition.
- We have continued to increase our holding in Magritek.

The pipeline of new opportunities is still strong, but we are entering a phase where we are seeing elevated valuations and more competition.

We are in the late stages of completing an investment which we hope to announce in coming months.

Private Investments

APC Innovate

The business recovered well following the nationwide lockdown at the start of the financial year but has seen mixed demand amongst its various customer segments. Retailers spent less on promotional display material through most of the financial year and margin pressure remains in a very competitive market.

The Company remains committed to exploring opportunities in adjacent or growing markets, particularly where the business can add value with its superior design, brand and customer service.

Bio-Strategy

FY21 was a strong turnaround year for Bio-Strategy where several issues in the business were resolved. It picked up a new and significant agency – Epredia – now representing over 10 per cent of current revenues.

As a distributor of scientific and medical equipment, Bio-Strategy is favourably exposed to the Australasian healthcare sector. We are finding that as some agencies become more profitable, the Principal looks to bring the agency back in-house. After year end we have seen this occur, so considerable focus will be on securing out market proposition and look to reduce exposure to any single agency.

Management is focused on growing both the number of distribution agencies, as well as expanding its sales through its existing channels. We believe the business is well placed to progress further in FY22.

Fiordland Lobster

Our shareholding in Fiordland Lobster is now 6.3 per cent (we purchased 4.3 per cent post-balance date). Fiordland Lobster owns crayfish quota (predominantly the lower South Island but also elsewhere in New Zealand and Australia) and processing facilities. Crayfish are sold primarily into China where they are a popular banquet meal.

Although the business has witnessed increased trade and geopolitical risks from the pandemic and China-Australia trade tensions, its underlying quota and processing operations are defensible cash generating assets in which we see strong potential.

Magritek

Magritek's orders grew by 12 per cent year-on-year which was stronger than expected. Revenue growth lagged due to the production facility operating at less than capacity through Covid lockdowns in Germany. The business is now working through this backlog and strong orders have continued through the new financial year.

New product development accelerated, advancing the product features and capabilities. We think the Company is well-positioned to continue to grow from here, although in a more competitive market than it has had historically.

During the year, largely due to a strong cash position, the business was able to buy back Victoria University's 10 per cent holding (these shares were then cancelled) effectively increasing the remaining shareholder's proportion.

Post-year end, Magritek received investment from a large US-based investment fund as some long-term shareholders sold down their positions and executives required capital to exercise staff options. We think this new shareholder will be a good fit with us and help advance the business growth.

Mrs Higgins

Mrs Higgins had a solid year. Although its food service business was down due to weakness in the hospitality sector, sales into supermarkets have grown rapidly. There is still capacity in its manufacturing capability, and we are confident that we can achieve further earnings growth without a significant capital outlay.

During the year, we appointed Reuel Newman as the new General Manager. Reuel has been with Mrs Higgins for two years as the Head of Sales & Marketing, with earlier roles at Davies Foods and Coca-Cola.

Partners Life

Partners Life made good progress in FY21 as it grew its in-force market share to 16 per cent (second behind AIA). New life insurance registrations slowed during lockdown but the market outlook remains positive. In July 2020, we acquired further shares in the Company alongside existing shareholders, maintaining our shareholding in percentage terms.

Partners Life announced in December that it agreed to acquire BNZ Life for NZ$290m (currently under review by the Overseas Investment Office). This follows other banks exiting the market as they seek to simplify their operations to their core banking and lending services.

Polynesian Spa

Polynesian Spa is no doubt our portfolio company that has been most impacted by the pandemic. A large portion of its customer base are tourists from China, Japan and Korea. The business has unfortunately had to reduce its opening hours and staff numbers but has done a good job repositioning its pricing and marketing to a domestic audience. Management and staff have done an excellent job in what is a very trying time for the business. The Company is currently not paying Rangatira dividends, but is able to remain profitable on domestic tourist volumes.

We believe that when international borders reopen, New Zealand will be a popular destination, and that authentic, high quality tourism assets like Polynesian Spa will do well.

Rainbow's End

Rainbow's End had a stronger year than we had anticipated. With 95 per cent of customers being domestic visitors, Rainbow's End has not felt the same impact from border closures as Polynesian Spa. In fact, when able to open, Rainbow's End has benefited from strong consumer spending and support. Nonetheless, the required closure of the park during the April nationwide lockdown and the subsequent Auckland region lockdowns did dampen the result.

With a strong management team, further capital programs underway and significant maintenance work completed through lockdown the business is well positioned for improved profitability in FY22.

Kiwifruit Orchards

We are invested into two SunGold kiwifruit orchard developments in Waiuku (near Auckland) and Bay of Plenty that will begin producing in 2022 and 2023, respectively. The two developments are operated by an expert kiwifruit grower who is invested alongside us and other investors.

Kiwifruit pricing has performed well over the last few years and both developments are progressing well. We have now secured all the required Sun Gold licences to complete the development. Together with kiwifruit prices, we have also seen strong appreciation in kiwifruit land values which bodes well for the investment.

NZ Pastures

During the year we completed the re-capitalisation of the business. This involved buying out the international 50 per cent shareholder and injecting capital to reduce debt levels. This increased our stake to 20 per cent (from 9 per cent), alongside two other private investors and ACC. The three farms are now operating well with a good lower cost management structure.

We have progressed the development of 1,800 hectares of forestry on one of the properties – this development will take 2-3 years to complete, improving the returns on the three blocks and providing exposure to carbon and forestry markets.

Venture Capital

We have now been invested in venture capital for 10 years and are pleased with the track record to date. Having committed to eight funds across four managers over that time, our aggregate return (IRR) is 21 per cent. We are highly selective in these types of investments given the risk and illiquidity, looking for outstanding managers with strong track records and credible proprietary advantages. We made two additional investments in FY21, both to managers we already invest with:

- Movac Fund 5 – we committed to Movac's fifth fund, having already invested in Movac Fund 3 which had successful investments into PowerbyProxi (sold to Apple) and Aroa Biosurgery (listed on the ASX). Movac are based in Wellington.
- Icon Ventures VII – we committed to Icon Ventures' seventh fund, being already invested in their fifth and sixth funds. Their fifth fund had successful investments into Teladoc (listed on the NYSE) and MoPub (sold to Twitter), and their sixth fund is nearly fully invested. Icon Ventures are based in Palo Alto, California.

We also increased our existing commitment to Pacific Channel Fund II alongside Elevate's (the Government's venture fund) $20m commitment last year.

Listed Equities

We hold listed equities to provide a liquidity buffer to our overall investment mix while also providing a reasonable return.

Year ended 31 March 2021	$m	Total Return	Benchmark Return
New Zealand Income	34.0	+39.7%	+29.2%
New Zealand Growth	14.1	+34.4%	+29.2%
New Zealand Trading (inc. Aroa)	4.0	+112.3%	+29.2%
International	25.8	+24.7%	+23.8%
Total	**77.9**	**+37.5%**	**+27.4%**

Our listed equities portfolio has performed well in FY21, with both our domestic portfolio and Intermede (our international manager) outperforming their benchmarks.

The end of the previous financial year was near the bottom of the market crash. Due to this timing, the listed returns for FY21 are very strong although much of this is reversing losses that we experienced in February and March 2020.

- NZ Income - This portfolio consists mainly of electricity stocks and Infratil. It beat benchmarks during the year, primarily due to Infratil where it received significant takeover interest. Its Canberra Data Centres business has contributed to a significant lift in the Company's valuation.
- NZ Growth - We outperformed the index in FY21 primarily due to being overweight in Mainfreight and underweight A2 Milk.
- International - Our International portfolio is invested via Intermede, a London based growth manager who outperformed benchmarks in FY21.

Company Structure

In 2020, we began a process to gauge the level of interest amongst shareholders to reviewing our Group structure, with the motivation of ensuring it is fit for purpose for all our shareholders and positions Rangatira for the future.

Goals identified through this review are below:

i. To improve the tax efficiency for charitable shareholders, without compromising non-charitable shareholders, in light of charitable shareholders losing the benefit of any imputation credits.

ii. To be easy for investors to understand – we had received feedback that the A and B share structure was not well understood.

iii. To not compromise liquidity for any shareholder group.

iv. To allow for Rangatira to raise further capital in the future, should the supply of good investment opportunities increase. With shareholders requiring a consistent dividend flow, as Rangatira becomes fully invested, to grow Rangatira must recycle existing holdings for new investments, which may not always be in the long-term interest of the Group.

v. A structure that allows for Rangatira to easily move investments between listed, cash, fixed income and private company holdings.

vi. Preserve the intentions outlined in the current Constitution.

We will keep shareholders informed as we progress any proposals for change.

Team

During the year, we welcomed two new members to the Rangatira team.

Matthew Olde joins us as an Auckland-based Investment Partner. Matt spent ten years at Mercury where, amongst other executive roles, he was the Chief Executive of its metering business, Metrix, until its successful divestment in 2019. Prior to joining Mercury, Matt was an investment banker at Deutsche Bank and ABN AMRO in Sydney, London and Auckland.

Anna Barker joins us as a Wellington-based Financial Accountant. Anna joins us from the Wellington City Council where she led work on the City's Annual and Long-Term Plans.

We believe our current team of five (across Wellington and Auckland) positions us well over the coming years. Our operating costs remain well below 1.0 per cent of Net Asset Value.

In Summary

Looking forward, although the economic outlook is more promising than this time last year, there are still question marks over when borders will ultimately reopen, and to what extent the economic recovery is sustainable. Inflationary pressures are growing and there is a real risk that interest rates will rise further this calendar year. The New Zealand economy is currently benefiting from high levels of domestic spending and construction activity, fuelled in part by a boom in house prices. Other sectors such as travel and tourism continue to struggle, particularly with the reduction in government financial support.

We are an investment company with a permanent capital base, that can hold investments long term through market cycles in partnership with our co-investors. We continue to believe that this investment model positions Rangatira shareholders well. We have confidence in both our existing portfolio and our capabilities to source new investments to provide strong returns to shareholders.

Looking forward to FY22 we would hope after the completion of a new investment later this year that we identify another new company in which to invest, and identify acquisitions for some of our current portfolio businesses. This is easier with strong management teams in the underlying investments and confidence in their future, making us more confident to invest further.

FY21 has not been a straightforward year, but it has been one that has proven the resilience of the Rangatira portfolio and the strength of the management and staff in our portfolio companies. Our gratitude goes to them and their staff for the effort and skill they applied this year which has positioned us well for FY22.

In closing, we would like to thank you for your support over what has been a trying year for many. We look forward to sharing with you our progress at our Annual Meeting in July.

David Pilkington
Chair

Mark Dossor
Chief Executive Officer

BOARD OF DIRECTORS

DAVID PILKINGTON (Chair)

David has a BSc and a BEng (Chemical) from the University of Canterbury, and a Postgraduate Diploma in Dairy Science and Technology from Massey University. He is a Chartered Fellow of the Institute of Directors. He is also chair of Port of Tauranga and Douglas Pharmaceuticals and a trustee of NZ Community Trust. David has previously been a director of Restaurant Brands, Zespri, and Balance Agri-Nutrients as well as several of Rangatira's investee companies. David has been a director of Rangatira since 2006 and chair since September 2013. He sits on the Remuneration Committee.

KEITH GIBSON (Deputy Chair)

Keith, as a member of the Board and the McKenzie family is able to add insight into the relationship with the majority shareholder, the J R McKenzie Trust, and other beneficiaries of JR's and Roy's philanthropy. Keith has a Diploma in Land Surveying from the University of Otago and subsequently gained registration as a land surveyor. He has an interest in harness racing as a director and owner of Roydon Lodge Stud which has bred leading horses such as Sundon, who was New Zealand Stallion of the year on four occasions. Keith was reappointed as a director of Rangatira in 2011, having previously served as a director between 1982 and 2005. He sits on the Audit and Remuneration Committees and on the board of portfolio company Polynesian Spa (chair).

DAVID GIBSON

David Gibson has a Bachelor of Laws (Hons) and a Bachelor of Commerce from the University of Canterbury and over 20 years' investment banking experience, mainly in corporate finance, including leading the investment banking team at Deutsche Bank and Deutsche Craigs in New Zealand. With experience across multiple sectors, he has advised on many of this country's largest capital market transactions across a broad range of sectors. David is also on the boards of NZX listed Goodman, Trustpower and NZME. David was appointed to the Board in March 2019 and sits on the board of portfolio company Bio-Strategy.

SOPHIE HASLEM

Sophie has an executive background in strategy and corporate finance including extensive M&A experience with a career spanning New Zealand Post, Citibank NA, ANZ Investment Bank, and Ernst & Young. Sophie is a Chartered Member of the NZ Institute of Directors and has a BCom and Post-Graduate Diploma in Management from The University of Melbourne. She is also chair of the Metservice, deputy chair of CentrePort and Kordia, and an independent director of Livestock Improvement Corporation and Oyster Property. Sophie has been a director of Rangatira since 2013. She chairs the Audit Committee.

SAM KNOWLES

Sam has spent the last decade in governance roles supporting young and ambitious growth companies. Examples include Xero in accounting software, Partners Life in insurance and Synlait in the dairy industry. During the prior decade, Sam was the founding CEO of Kiwibank, leading it from idea to success. This role followed an extensive career in financial services with senior executive roles in Australia and New Zealand. Sam has a BSc in Physics from Waikato University and an MSc (Hons) in Resource Management from Canterbury University. Sam has been a director of Rangatira since 2011 and is on the Remuneration Committee.

CATHY QUINN ONZM

Cathy Quinn practised as one of New Zealand's foremost commercial and corporate lawyers with significant expertise in governance, capital markets, mergers and acquisitions and private equity. In 2016, Cathy was made an Officer of the New Zealand Order of Merit (ONZM) for services to law and women. Cathy is also a director of Fletcher Building Limited, Fonterra Cooperative Group, Tourism Holdings Limited and chairs Fertility Associates. Cathy is Pro Chancellor of Auckland University. Cathy was appointed to the Board in March 2019, and sits on the board of Rainbow's End.

RICHARD WILKS

Richard comes from a 30-year career in corporate banking and has held a number of senior executive roles with ANZ National Bank, Standard Chartered Bank, Citibank Australia, Westpac Trust Australia and Citibank New Zealand where he was Chief Executive. He holds a BCom from the University of Auckland and is a former member of the Institute of Chartered Accountants and the New Zealand Institute of Directors. Richard has been a director of Rangatira since 2012. He sits on the Audit Committee and on the board of portfolio companies Rainbow's End (chair) and Mrs Higgins (chair).

EXECUTIVE TEAM

MARK DOSSOR (Chief Executive Officer)

Mark has been CEO of Rangatira Investments since August 2018. Prior to this, he was the Chief Financial Officer of the Accident Compensation Corporation. At ACC Mark had responsibility for leading ACC's finance function, procurement, property and investment management covering an investment fund of over $36b. Mark began his career in KPMG and then worked at MAS Technology and Endeavour Capital before spending 3+ years at NZ Post as CFO of their Postal Services Business. Mark is also a past Chairman of the NZVCA. He has a Bachelor of Commerce and Administration from Victoria University of Wellington and completed the Advanced Development Programme at the London Business School. Mark is a member of the Chartered Accountants of Australia & New Zealand and the Institute of Directors. Mark is on the board of portfolio companies Polynesian Spa, Bio-Strategy, APC Innovate & Magritek.

MATTHEW OLDE (Investment Partner)

Matt is based in Auckland and joined Rangatira Investments in July 2020. Prior to this, Matt was at Mercury NZ Ltd for a decade and at different times had executive responsibility for corporate strategy, ICT, legal, communications, solar sales / installations, as well as managing the IPO of Mercury (then Mighty River Power) in 2013. In addition, between 2014-2019 Matt was CEO of Metrix, one of NZ's largest metering services businesses, until it was divested by Mercury for $270m in 2019. Matt had joined Mercury after over a decade in investment banking, working at ABN AMRO in Sydney and London, and then Deutsche Bank in Auckland, primarily working within corporate finance advisory and M&A. He has a Bachelor of Commerce (Hons) and Bachelor of Laws from the University of Auckland and more recently completed the Stanford Executive Programme at the Stanford Graduate School of Business. Matt is a member of the Institute of Directors. Matt is on the board of portfolio companies Rainbow's End, APC Innovate & Mrs Higgins.

ANNA BARKER (Financial Accountant)

Anna joined Rangatira in March 2020. She is a Chartered Accountant with over 20 years post qualification commercial, public practice and public sector experience in New Zealand and the UK. She qualified with EY in London with a broad range of audit clients and has since held Financial Controller roles in the advertising, engineering, and FMCG sectors. Anna is a member of both CAANZ and ICAEW and has a BA(Hons) in Philosophy from Cambridge University. She emigrated to New Zealand in 2004 with her family.

KURT PURDON (Investment Analyst)

Kurt joined Rangatira in 2018 following three years in PwC's Corporate Finance practice where he gained experience in M&A, project finance, financial modelling and valuations. He has a Bachelor of Commerce and Masters in Business from the University of Otago and is a CFA Charterholder.

RAINBOW'S END

Introducing

Karen Crabb, Chief Executive of Rainbow's End

Karen Crabb became Chief Executive of Rainbow's End in February 2018. Before that, she had spent 16 years with Lion New Zealand.

Karen was attracted to the role because Rainbow's End has always had a special place in her heart. "I'm a Kiwi kid, and Rainbow's End is a great business - it's exciting and delivers a fun, positive experience," she says.

"Rainbow's End, now 38 years old, is an iconic part of New Zealand and our country's only theme park, with 21 rides and attractions for guests and thrill-seekers. At the height of the season, during school holidays and weekends, 15,000 guests visit the Park each week, and we employ between 260 and 300 staff mostly on a part-time basis."

Working for Lion for 16 years gave Karen experience in sales, marketing, manufacturing, strategic planning, human resources, and retail. Karen says, "This provided a broad spectrum of experiences across every aspect of the business. There was a big focus on people and customers and this focus and these skills have proved invaluable in my current role at Rainbow's End."

The COVID-19 pandemic meant a turbulent year for the business, marked by the unknown. The Park was closed during Level 4. During Level 3, some staff were able to work on maintenance, and Level 2 saw the Park open with restrictions.

"We needed to work it out as we progressed through the stages", Karen explained.

"It was imperative we managed it very well and kept our staff and guests safe. The strict safety culture at Rainbow's End worked well for us during COVID. It meant the team understood the need for safety protocols and quickly adapted to the necessary procedures.

We had great feedback from guests, saying that we were doing everything well and they felt safe to be here.

That in part was because we had all the PPE, signage and procedures ready to go. That made navigating the changes in levels easier to manage and became, for that time, the 'new normal'.


Karen Crabb, Chief Executive

I also think our safety culture made it somewhat easier for us in managing the pandemic than for some other businesses. What wasn't easy was setting budgets. That was interesting with the Park being closed and then partially open. However, the last summer was busier than ever, due to domestic guests looking for fun things to do and wanting a positive day out."

Rainbow's End welcomes everyone and guests include:

- Younger families, those with children under eight who visit 'Kids Kingdom'.
- Older families with children between 8 and 14.
- Thrill-seekers aged between 15 and 29.
- Corporates and Groups booking the Park for a Social event, Christmas Party or to host customers and their families.

Karen explains that Corporates and Groups is an increasing market for Rainbow's End and has grown rapidly. "We can host up to 3,000 guests at such events and the demand has grown as companies seek a safe and fun experience to host staff and include their staff's families."

Looking forward, Karen is looking to grow the number of guests visiting the Park and guest spend. This will result from improved offerings with the Park such as 'Playlab', which opened in July 2019 and includes an escape room, arcade with Virtual Reality and e-sports (computer gaming).

"We continue to look for opportunities to better entertain guests, to give people a special, magical day out, as well as to optimise the off-peak times, when we use the down-time to work on the rides and improve the Rainbow's End features and experiences.

Rainbow's End has also become a film location and has received a marked increase in requests from producers wanting to film in the Park. These have come from TV Shows, Netflix and a feature film. We can provide producers with access to the entire facility or special sets during our off-peak periods."

"Capital expenditure will add new and refurbished experiences. A $1.5 million refurbishment of the Log Flume ride is the first of the infrastructure upgrades taking place over the next 18 months. A new interactive attraction will open in October, with further ride developments planned over the next two years. Also coming is the new Rainbow Fun Factory, a mesmerising sweet shop," Karen says.

Being wholly-owned by Rangatira provides significant benefits according to Karen. "The Park's team are proud to be part of the Rangatira portfolio, with its focus on New Zealand. Being New Zealand owned is important to them, as is contributing to the local economy.

"We see a strong alignment between our values. Rangatira is a long-term investor, committed to making the business sustainable. As an infrastructure company, it is important to have a shareholder like Rangatira with a strong balance sheet and a board with strong management experience."

"Rainbow's End is in good shape and has a bright future and that's due in no small part to having a supportive shareholder," Karen says.

"My greatest satisfaction in this role comes from building a solid business we can be proud of that contributes to the New Zealand economy and wider society. A large part of that is working with a young and diverse team who are developing skills that will serve them well throughout their careers wherever that may take them. Many of our staff go on to train as teachers, Police, Finance, Marketing and a wide range of other professions. But importantly, at Rainbow's End, we create magical memories for our guests."

The best advice that Karen has received is to 'be your best self - every day', something she tries to do both at work and after hours.

Outside work, Karen and her husband who is an Emergency Medical Technician with St John live in Riverhead and are kept busy with their family. Weekends are spent on the sidelines either supporting or coaching their teens who are involved in soccer, rugby, Waka Ama, volleyball and basketball.

Karen is also actively involved in the community serving as Chair of the Board of Trustees at Riverhead School, as a member of the Parent-Teacher Association at Kaipara College and as a Board member of Business Manukau.

In summary, Karen is passionate about working with people to build thriving businesses and communities.

Investment Date: 2013

100%
OWNERSHIP

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

In 2019 Rainbow Playlab was opened, offering a gaming and entertainment centre for tech-savvy guests including virtual reality, e-sports, escape rooms, and more. This was followed by in July 2020 by the opening of Spectra, the largest 7D ride in the Southern Hemisphere!

During 2020, Rainbows End was unable to open during the Level 3 and Level 4 lockdowns and was restricted in its ability to operate during Level 2. Nonetheless, the business traded strongly through the important summer holiday period and remains 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.

BIO-STRATEGY

Introducing

John Chesterfield, Chief Executive of Bio-Strategy

John Chesterfield was appointed Chief Executive of Bio-Strategy in August 2019 following a 35-year career leading and strategically improving businesses in Australia and Latin America.

Bio-Strategy is the largest independent supplier of specialist scientific instrumentation, equipment and consumables to the scientific and diagnostic markets in Australia, New Zealand and the South Pacific.

Their customers include clinical and research institutions, universities, public and private healthcare providers and industry.

Founded 18 years ago in Auckland, Bio-Strategy expanded into Australia some 12 years ago to take advantage of the larger market across the Tasman. The company headquarters are in Melbourne, with sales and service staff in all the major Australian capitals and five centres throughout New Zealand.

Bio-Strategy employs 130 staff. They include a commercial team of 80 people, experts in their field who understand the science and how the products work, and 30 in after-sales service, ensuring the technology provided operates every day. Currently, some 70 per cent of total revenue comes from Australia, with that expected to grow to 80 per cent over the next two to three years.

Rangatira became the majority shareholder alongside the company founders in 2015 with a 70 per cent shareholding.

In Bio-Strategy, John saw an opportunity to use his deep knowledge of value-driven distribution businesses and science-based experience, gained from working for ICI and Orica, to grow the business and realise its inherent potential. He also believes that Rangatira's longer-term investment horizon which focuses on yield rather than being transaction-driven, provides the opportunity for him, as chief executive, to grow the business sustainably.

About COVID-19 - John says that it has in fact highlighted the need to always remain flexible and adaptive.

"With lockdown in New Zealand, many of our New Zealand customers were closed, and revenue plummeted. Then in May, both the community and customers found their rhythm. The wheels started turning again, optimism increased, and the outlook improved."

John Chesterfield
Bio-Strategy

"Issues about assurance of supply were critical and with most of our suppliers based in the USA, Western Europe and Japan, supply-chain management was challenging. We had to be flexible, adaptable and retain a sense of humour."

"Despite the challenges, our business became stronger through 2020 on the back of our endeavours and new volumes resulting from COVID-19, with demand from bio-analytical and drug discovery customers increasing as the government put more money into those sectors.

"Bio-Strategy has a promising financial future. The benefits of acquiring the VWR laboratory supply business in Australasia four years ago are now being realised with sales up 20 per cent from the prior year. We now have a clear path to hit $150 million in revenue, which will double the size of Bio-Strategy over the next three to four years.

"This will be achieved through a combination of organic growth, expanding both the reach of the portfolio and adding new agencies. We also expect to make several acquisitions that will complement our current portfolio."

Rangatira, John believes, provides the company with numerous benefits.

"Rangatira's shareholding affords stability, they understand and support Bio-Strategy, and their people make a strong contribution to the company's governance. Rangatira also has a strong balance sheet that enables us to invest in the business and take advantage of acquisitions."

The two things John finds most satisfying in his role as Bio-Strategy's chief executive are: seeing the team deliver a great result, this is good not only for the company but also for our customers, suppliers, and our staff; and seeing our people develop and grow in their roles.

When asked for the best advice he has received, John says he remembers being told, "It is not about what is right or wrong or good or bad; it is about recognising and appreciating the differences between people, ideas and approaches. There is never one way of doing something."

He also believes that leaders need to give and support accountability and not interfere. "If you make people accountable, you need to let the person make their own decisions and take responsibility for them. Should that not work out, then make another decision."

John has been married for more than 30 years. He has four children and has recently become a grandfather.

Outside work, John and his wife enjoy spending time with their family, walking, cycling and working in the garden. His wife trained as an artist and art historian and works for a leading Melbourne art gallery.

John takes pleasure in the fact that he can combine his love of cycling with his commute and rides to work two or three days a week.

Investment Date: June 2015

70% OWNERSHIP

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 well-known international suppliers, 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 has been able to maintain its operations during lockdowns. There has been increased demand for the Company's products and the Company has added agency distribution contracts.

Investment Date: June 1999

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 and sales. 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 has produced several instore COVID-19 products which received good uptake from its retail customer base. Along with this, the company has seen demand slowly recover following the Level 4 lockdown last year.

Investment Date: October 2018

6% OWNERSHIP

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 Southern Rock Lobster (NZ Crayfish). In 2010 they expanded operation into Australia where it operates under the brand South Australian Lobster Company.

The Quota business owns lobster quota in Australia and NZ which it in turn leases to fishing companies on a seasonal basis. The largest quota 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 for sale to high-end restaurants, supermarkets and home delivery.

Most of the product is exported to mainland China and South East Asia.

Investment Date: 2019

KIWIFRUIT ORCHARDS

Rangatira has invested alongside 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 limited partnership of external investors in each development.

In 2019, Rangatira invested in Southern Cross' 36 ha Oaklands development near Waiuku, growing the Zespri SunGold variety south-west of Auckland. The orchard is currently under construction and the first crop is planned for 2022.

In 2020, Rangatira invested in an additional SunGold orchard development: 'Eastern Rise', a 114-ha orchard near Whakatane.

Both partnerships have purchased shares in Zespri. Zespri is the grower-owned marketer and exporter of New Zealand kiwifruit that develops and owns the intellectual property of kiwifruit varieties.

Investment Date: 2013

27%
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 and the COVID-19 pandemic.

Ampersand Capital, a Boston based healthcare/scientific investor, recently acquired a 5% holding in Magritek (purchased from existing shareholders). Ampersand bring strong networks and investment experience in the laboratory product sector.

Investment Date: 2017

50% OWNERSHIP

MRS HIGGINS

Mrs Higgins produces a range of high-quality oven-fresh bakery products including cookies, ready to bake cookie dough and café slices.
Its products are available from leading distributors, through food outlets, supermarkets, vending machines and convenience stores throughout New Zealand, as well as exporting to leading Australian distributors.

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

Its major customers are food service distributors, route-trade and supermarkets. As an essential business in food production, the business was able to stay open during last year's lockdown and subsequent changes in Alert Levels in Auckland. Despite weakness across the food service segment, Mrs Higgins achieved strong growth in supermarket sales in FY21.

Investment Date: March 2008

20% OWNERSHIP

NEW ZEALAND PASTURES

New Zealand Pastures is a farming and fattening operation based on 23,500 ha of land across three farms in the South Island.

As part of a recapitalisation in 2020, Rangatira, alongside continuing shareholders, acquired the shares of majority owner Duxton Asset Management (Singapore).

The Company plans to convert one of the farms to a pinus radiata plantation to take advantage of the rising price of carbon credits under the Emissions Trading Scheme (ETS), with planting expected to occur later this year.

Investment Date: June 2011

4.7% OWNERSHIP

PARTNERS LIFE

Partners Life provides innovative life, disability, trauma, income protection and medical insurance to New Zealanders. Partners Life is now the second largest life insurer in New Zealand, with in-force market share of 16%.

In December 2020, Partners Life announced that it agreed to acquire BNZ Life (BNZ's life insurance business owned by National Australia Bank) for NZ$290m. The proposed transaction is currently under review by the Overseas Investment Office and the Reserve Bank of New Zealand.

Rangatira acquired further shares in the Company's July 2020 capital raising, alongside Blackstone and other shareholders.

Investment Date: 1971

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.

As inbound tourists from countries like China and Korea comprise a large portion of the traditional customer base, revenues are not expected to return to pre-COVID levels for some time. The business has been reoriented to provide a domestically focussed product with reduced hours.

Alongside the Lobb Family, Rangatira's investment in Polynesian Spa will celebrate 50 years in FY 2021/22. The company has outlasted economic and tourism downturns before, and there is much confidence that Polynesian Spa will be well placed to take full advantage of the eventual recovery.

RANGATIRA GROUP AT A GLANCE
STRENGTH IN DIVERSITY

Our people across the Rangatira Portfolio Group

MALE			FEMALE	
227	46%	GROUP WORKFORCE	54%	269
22	50%	MANAGEMENT	50%	22
19	68%	SENIOR LEADERSHIP	32%	09

52	9%	UNDER 20
226	40%	20-29
82	15%	30-39
89	16%	40-49
81	14%	50-59
35	6%	60+

Age Distribution

25

Nationalities

PUBLIC INVESTMENTS

New Zealand	2021 NZ$m	2020 NZ$m
Infratil	9.7	5.0
Mercury Energy	6.6	4.3
Meridian	4.0	3.8
Fisher & Paykel Healthcare	3.9	3.7
Contact Energy	3.6	2.7
Mainfreight	3.3	1.7
EBOS Group	2.0	1.5
Spark	1.8	-
Vector	1.6	1.3
Trustpower	1.6	1.4
Genesis Energy	1.5	1.5
Vital Healthcare Property	1.5	-
Ryman Healthcare	1.4	0.9
Arvida	1.1	0.9
Scales Corporation	1.1	1.1
Serko	1.0	0.2
Investore	0.9	-
Oceania Healthcare	0.9	0.4
ikeGPS	0.8	0.4
TIL Logistics	0.8	0.5
Pacific Edge	0.5	0.1
Pushpay	0.5	0.2
a2 Milk	0.3	-
Syft Technologies	0.2	0.1
Tower	-	0.1
Total	50.6	31.7

International	2021 NZ$m	2020 NZ$m
Intermede	25.8	28.6
Aroa Biosurgery	1.5	-
Total	27.3	28.6
Total Public Investments	**77.9**	**60.4**

MANAGED FUNDS

ICON VENTURES

Icon Ventures - Funds V and VI
Venture Capital (United States)

Icon Ventures is a Silicon Valley venture capital investor with USD$1.1bn under management. It invests in high quality Series B and C opportunities backing world-class entrepreneurs alongside top-tier co-investors.

Fund V has invested in 16 companies including MoPub (acquired by Twitter in 2014) and Teladoc (listed on the New York Stock Exchange in 2015).

Fund VI has invested in 18 companies that include Opcity (acquired by News Corp in 2018) and Streamlabs (acquired by Logitech in 2019).

Investment Date: 2014

Movac

Movac Fund 3
Venture Capital (New Zealand)

Movac is New Zealand's leading venture capital manager. It invests in New Zealand companies with the vision, strategy and business model to exceed $100m in revenue.

Fund 3 invested in 6 companies including PowerbyProxi (acquired by Apple in 2017) and Aroa Biosurgery (listed on the ASX in 2020).

In 2020, we invested in Movac's most recent Fund 5, which has to date invested in Mint Innovation, Myia, Portainer, Solve, Tradify and Yabble.

Investment Date: 2011

INTERMEDE INVESTMENT PARTNERS

Intermede
International Equities (United Kingdom)

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 fund is led by Portfolio Manager & CEO Barry Dargan and a team of five analysts.

Since being established in 2014, the fund's annualised outperformance has totalled over 4% pa relative to the MSCI All Country World Index. The fund has continued to outperform its benchmark through the COVID-19 pandemic.

Investment Date: 2019

PacificChannel

Pacific Channel
Venture Capital (New Zealand)

Pacific Channel is an early-stage investment and development firm focused on building successful deep-tech ventures from New Zealand. They invest in companies at their earliest stages and actively support them to accelerate growth.

Rangatira is invested in Pacific Channel's Fund II, which has to date made four investments into Geo40, InsituGen, Orbis Diagnostics and Vorter Power Systems.

Investment Date: 2020

Principal Charitable Shareholder

J R MCKENZIE TRUST

Late in 2020, the J R McKenzie Trust launched its new ten-year strategy, Te Anga Rautaki, which has an over-arching priority: working and investing in ways that advance equity through transformational change and system-focused solutions. Advancing equity means addressing the underlying causes of inequity and exclusion. It means shifting the conditions that hold inequities in place and prevent people from fulfilling their potential.

The J R McKenzie Trust is interested in supporting community-designed and community-led solutions. It is looking to support community innovation, voice and leadership; to strengthen collaboration and support collective action; and to grow capacity to progress system-focused solutions. It seeks to partner with those experiencing the greatest inequity, exclusion and disadvantage in four communities of interest that often intersect: children, young people and whānau; Māori; Pacific Peoples; and communities that experience exclusion.

In this way, the 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 can be achieved.

The J R McKenzie Trust believes that building on existing relationships, and developing new connections and collaborations, will provide opportunities for sharing research and learnings, assist funding recipients with wider support, and amplify the influence of funding organisations. Two initiatives involving collaboration by both funders and ngā kaikōkiri/grantees, have demonstrated the results that can be achieved by adopting a collaborative approach.

Te Ngākau Kahukura strives to enhance the environments in which rainbow young people live, learn, and access health services and social support. It aims to support those who work with young people to have the confidence and courage to work and engage with them in an appropriate manner. The J R McKenzie Trust is collaborating with The Tindall Foundation, the Ministry of Youth Development – Te Manatū Whakahiato Taiohi, and Foundation North, to support this important mahi.

"The collaborative funding model is a good fit for our work because Te Ngākau Kahukura is often focused on increasing the capacity of rainbow organisations, by creating infrastructure for collaboration between all the important organisations that are

L-R: Joey and Moira present a workshop at the Social Innovation Symposium

led by rainbow people and serving rainbow young people (and in fact, rainbow people of all ages). Having this level of alignment between our funding model and our work methods enables us to work more effectively and to a high standard of integrity," says Joey Macdonald (Training Lead) and Moira Clunie (Project Lead), Te Ngākau Kahukura.

Understanding Social Work Provision to Former Refugee and Marginalised Migrant Communities in Auckland is a research report which was commissioned by a collaborative group of NGOs: Belong Aotearoa, The UMMA Trust, RASNZ, New Zealand Red Cross, Asylum Seekers Support Trust, Aotearoa Resettled Community Coalition, and Family Action. This mahi is part of their collective roles in supporting Aotearoa New Zealand's former refugee and migrant background communities.

The report was funded by the Working Together More Fund which exists to support community organisations to work together in order to make a greater difference for people and communities. The Fund itself is the result of collaboration between Wayne Francis Charitable Trust, Todd Foundation, Tindall Foundation, Hugh Green Foundation, DV Bryant Trust, Len Reynolds Trust, Lindsay Foundation and the J R McKenzie Trust.

"Collaboratively, we have highlighted the bespoke needs of former refugee and marginalised migrant communities in Aotearoa New Zealand. The evidence-based report shows clearly what bespoke social work looks like in response and more importantly, is founded on the collective experience and wisdom of service providers and the community. Our aspirations for this report is to spark learning, conversations, and collaboration for positive resettlement and wellbeing for our communities" says Rochana Sheward, Chief Executive Officer, Belong Aotearoa.

Developing relationships based on cooperation and solidarity is more important now than ever and the J R McKenzie Trust has recognised this by including collaboration as a change strategy we wish to intentionally support. With so many communities facing increased hardships and pre-existing inequities being exacerbated, coming together in partnership for better outcomes just makes sense.

At the launch of the Understanding Social Work Provision to Former Refugee and Marginalised Migrant Communities in Auckland Report

For more information about the J R McKenzie Trust, its mahi and its ngā kaikōkiri/grantees, visit jrmckenzie.org.nz, or read its 2019/2020 annual report.

Outward Bound school's course 2020

Charitable Shareholder

OUTWARD BOUND

Like many organisations in New Zealand 2020 was a very challenging year. For Outward Bound New Zealand the pandemic necessitated a four month school closure – a first in our nearly 60 year history. This resulted in significant financial losses for Outward Bound and the prospect of wide scale redundancies with potentially hundreds of students being unable to take up the adventure and challenge of a lifetime.

With the significant support of Rangatira Investments and other generous donors throughout New Zealand, Outward Bound was very fortunate that this didn't become a reality. Thanks to the belief of supporters like Rangatira, on the 29th of July 2020 we reopened our doors with a full team of instructors ready to welcome back our students and provide the life changing experience synonymous with Outward Bound. Our school went from a quiet, desolate place to a home away from home brimming with noise, activity, and laughter once again.

Since 1962 Sir Roy Mackenzie, the Mackenzie family and all the team at Rangatira Investments have created a lasting legacy – reaching out and supporting thousands of New Zealanders to create better lives and build better communities.

In 2020 Rangatira supported 42 people from all walks of life to spend time in the outdoors, to reset, and to find courage and strength.

Here are just a few of their voices:

"I was diagnosed with Parkinson's 2-3yrs ago and without realizing it, I haven't given myself the time to process the grief and letting go of things that are no longer possible. Through the tears and peace, I am now able to see new opportunities for me and accepting new ways of approaching life. It has been a wonderful opportunity to refill an empty emotional cup. Joy, does indeed come in the morning."

Chris Mutton, Huia 2020

"Thank you very much for providing this very challenging course for me. This changed my life as the activities were very hard, but I enjoyed every one of them. This showed me my weaknesses and gave me skills for everyday life. This showed me who I really am."

Jayden Taia, Kupe, 2020

Thank you for sponsoring me to come on this once in a lifetime experience. This opportunity does not come around often especially for Pacific Islanders like me. I have not only learnt about leadership, but I have become a better person that tests themselves and is comfortable with the uncomfortable. I look forward to implementing all I have learnt in my family, my community, and my school.

Sefanaia Cowley – Lupo, Kupe 2020

Thank you Rangatira Investments for your loving pledge to New Zealanders young and old – supporting life changing experiences in the outdoors.

Aroha mai, aroha atu – love toward us, love going out from us.

Charitable Shareholder

CYSTIC FIBROSIS NZ

YOU'RE HELPING TO GIVE ACCESS TO LIFE-SAVING MEDICATIONS

Your support means that Kalydeco is finally available in New Zealand, and Trikafta is within reach.

Bruno now

Young Bruno

14-year-old Bruno is living his best life thanks to you.

For most of Bruno's life, he was admitted to Starship Hospital, on average, three times a year. Every day that Kalydeco went unfunded in New Zealand, irreversible lung damage was occurring.

Bruno is one of the 540 New Zealanders with cystic fibrosis, a serious and ultimately terminal genetic condition which causes the body to produce thick, sticky mucus that damages the organs.

Cystic fibrosis is a complex condition with over 2,000 variants of the gene. Bruno is one of 35 New Zealanders with the G551D mutation, the type that responds to the drug Kalydeco. Not only does Bruno have cystic fibrosis, but he also has cystic fibrosis related diabetes.

On 26 February 2020 our CF families got the lifeline they were waiting for. Pharmac agreed to fund Kalydeco.

"Without Kalydeco, Bruno would be in a whole different ball game", says Ana Waalkens, Bruno's mum.

"Bruno's life and ours has improved significantly because of this medicine," says Ana. "He is now a good weight; he is fit and healthy and it has changed our outlook for the future which we wouldn't even have considered before."

Since starting Kalydeco Bruno has not been admitted to Starship at all. His lung capacity has responded well to Kalydeco, improving by 91% in recent tests. His cystic fibrosis related diabetes is more stable than it has ever been.

Bruno is doing so well, thanks to you. He's a keen sportsman, a musician, an above average student at school, and is tackling life with vigour. He is living the dream as all 14-year-old boys should be.

This is just one story of the people with cystic fibrosis and their families that are helped through Rangatira Investments. Thank you for supporting people like Bruno and his mum Ana.

For other children and adults with a different gene type, there's a breakthrough treatment that can effectively 'switch off' cystic fibrosis. It's funded in many other countries, but not New Zealand. With your help, we're working closely with Pharmac to get this funded and into the hands of people with CF.

Cystic Fibrosis NZ supports people with cystic fibrosis and their families by providing welfare assistance, exercise grants, personalised support through our team of dedicated social workers, advocacy for better access to care, and through funding research.

Visit cfnz.org.nz for more information on cystic fibrosis or how we make a difference together.

FINANCIAL STATEMENTS

IMAGE COURTESY OF OUTWARD BOUND NZ

Rangatira Group

Consolidated Income Statement

For the year ended 31 March 2021

	Note	2021 $000	2020 $000
Continuing operations			
Revenue	2	**118,381**	114,499
Other income	3	**5,468**	4,540
Total income		**123,849**	**119,039**
Depreciation and amortisation	9,10	**(7,647)**	(6,856)
Employee benefit expense	4	**(26,370)**	(33,503)
Finance costs		**(2,418)**	(2,472)
Impairment reversal (expense)	9,23	**1,192**	(9,104)
Raw materials and consumables used		**(62,871)**	(55,863)
Consulting expense		**(403)**	(287)
Operating expenses	4	**(9,502)**	(14,510)
Profit before tax from continuing operations		**15,830**	(3,557)
Tax benefit/(expense)	5	**(4,138)**	3,653
Profit after tax from continuing operations		**11,692**	96
Profit after tax		**11,692**	96
Profit attributable to:			
Equity holders of the parent		**9,862**	(1,336)
Non-controlling interests		**1,830**	1,433
		11,692	96
Basic and diluted earnings per share (cents)	16	**55.7**	(7.5)

- The notes on pages 39 to 66 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 2021

	2021 $000	2020 $000
Other comprehensive income/(losses)		
Investments at Fair Value through OCI		
- valuation gain/(loss) taken to reserves	24,159	(9,689)
- transferred to retained earnings	-	-
Translation of foreign operations	473	(170)
Associate companies		
- share of reserves of associates	136	-
Other comprehensive income/(losses) recognised directly in equity	24,768	(9,859)
Profit after tax from continuing operations	11,692	96
Total comprehensive (loss)/ income for the year after tax	36,460	(9,763)
Total comprehensive income attributable to:		
Equity holders of the parent	34,488	(11,144)
Non-controlling interests	1,972	1,382
	36,460	(9,762)

- The notes on pages 39 to 66 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 2021

2020	Note	Share capital $000	Retained earnings $000	Investments at fair value 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	17	-	(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**

2021	Note	Share capital $000	Retained earnings $000	Investments at fair value 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		17,667	180,525	4,123	(498)	201,817	(871)	200,946
Total comprehensive income		-	9,862	24,159	467	34,488	1,972	36,460
Dividends paid to parent shareholders	17	-	(9,564)	-	-	(9,564)	-	(9,564)
Disposal of subsidiary		-	478	-	-	478	859	1,337
Acquisition of NCI		-	(274)	-	-	(274)	(131)	(405)
Reclassification of FVOCI investment to associate		-	(5,280)	5,280	-	-	-	-
Disposal of FVOCI		-	1,115	(1,115)	-	-	-	-
Balance at end of year		**17,667**	**176,862**	**32,447**	**(31)**	**226,945**	**1,829**	**228,774**

- The notes on pages 39 to 66 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Financial Position

As at 31 March 2021

	Note	2021 $000	2020 $000
Current assets			
Cash and cash equivalents		**21,118**	20,277
Term deposits		**-**	32,216
Trade receivables	6	**12,988**	12,865
Inventories	7	**13,826**	13,910
Other current financial assets	8	**7,689**	2,833
Other current assets		**967**	1,317
Total current assets		**56,588**	83,418
Non-current assets			
Property, plant and equipment	9	**48,534**	52,938
Investment property	10	**22,034**	23,028
Investments in associate companies	20	**18,278**	13,007
Goodwill	11	**13,067**	13,067
Intangible assets		**420**	676
Deferred tax asset	5	**6,511**	5,497
Other non-current financial assets	8	**137,365**	91,964
Total non-current assets		**246,209**	200,177
Total assets		**302,797**	283,595

- The notes on pages 39 to 66 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 2021

	Note	2021 $000	2020 $000
Current liabilities			
Trade and other payables	12	**17,860**	23,539
Borrowings	13	**8,421**	14,459
Lease liabilities		**3,321**	1,852
Other current financial liabilities	13	**299**	377
Tax payable		**1,001**	411
Provisions	14	**3,315**	2,502
Total current liabilities		**34,217**	43,140
Non-current liabilities			
Borrowings	13	**8,443**	7,370
Lease liabilities		**23,522**	26,846
Provisions	14	**600**	410
Deferred tax liability	5	**7,241**	4,883
Total non-current liabilities		**39,806**	39,509
Total liabilities		**74,023**	82,649
Net assets		**228,774**	200,946
Equity			
Share capital	15	**17,667**	17,667
Retained earnings		**176,862**	180,525
Investments at fair value reserve		**32,447**	4,123
Foreign currency translation reserve		**(31)**	(498)
Equity holders of the Parent		**226,945**	201,817
Attributable to non-controlling interests		**1,829**	(871)
Total equity		**228,774**	200,946

Approved for issue on behalf of the Board on the 14 June 2021.

DA Pilkington **S Haslem**

- The notes on pages 39 to 66 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 2021

	Note	2021 $000	2020 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		119,592	111,573
Dividends received		1,934	3,946
Interest received		996	1,677
		122,522	117,196
Cash was applied to:			
Payments to suppliers and employees		(104,907)	(96,948)
Tax paid		(2,204)	(3,283)
Interest paid and other costs of finance		(1,662)	(2,728)
		(108,773)	(102,959)
Net cash inflows from operating activities	23	13,749	14,237
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of investments		47,387	21,193
Proceeds from sale of property, plant and equipment		(1,989)	1,727
		45,398	22,920
Cash was applied to:			
Purchase of property, plant and equipment		1,201	(4,750)
Purchase of investments		(43,451)	(75,866)
		(42,250)	(80,616)
Net cash (outflows)/inflows from investing activities		3,148	(57,696)
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowings		3,604	-
		3,604	-
Cash was applied to:			
Dividends paid to shareholders of the parent		(9,564)	(10,627)
Dividends paid to non-controlling interests		-	(926)
Repayment of borrowings		(7,752)	(5,267)
Repayment of lease liabilities		(2,817)	(1,274)
Acquisition of Treasury Stock	15	-	(45)
		(20,133)	(18,139)
Net cash inflows/(outflows) from financing activities		(16,529)	(18,139)
Net increase/(decrease) in cash held		368	(61,598)
Effect of foreign exchange		473	-
Cash at beginning of year		20,277	81,875
Cash at end of year		21,118	20,277
Cash and cash equivalents		21,118	20,277

- The notes on pages 39 to 66 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 2021

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 Group has early adopted amendments to NZ IAS 1 Presentation of Financial Statements for the year ended 31 March 2021. The amendments clarify the classification of liabilities as current or non-current. The Group has applied this amended classification of current and non-current liabilities in determining the classification of loan facilities within these financial statements.

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements. Comparative figures have been restated where appropriate to ensure consistency with the current period.

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 which are not already fairly valued.

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.

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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 1 Reporting Entity and Basis of Preparation (continued)

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 or use 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 2021

Note 2 Revenue

	Note	2021 $000	2020 $000
Revenue from the sale of goods		**93,142**	82,306
Revenue from the rendering of services [1]		**19,980**	26,183
Dividends		**1,864**	1,880
Interest revenue		**959**	1,611
Rental income		**2,436**	2,519
Total revenue		**118,381**	114,499

[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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

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.

	2021 $000	2020 $000
Gain on disposal of investments	**332**	429
Share of profit/(losses) for the year from associate companies	**1,682**	1,759
Gain/(loss) on disposal of property, plant and equipment	**10**	1,559
Government Grants [I]	**625**	-
Change in fair value of financial assets classified as fair value through profit or loss	**2,474**	484
Other	**345**	309
Total other income	**5,468**	4,540

[I] STAPP grants were received by Rainbow's End and Polynesian Spa.

Note 4 Expenses

	2021 $000	2020 $000
Profit before tax has been arrived at after charging the following expenses:		
Employee benefit expense:		
Defined contribution plans	**857**	818
Kiwisaver employer contributions	**461**	478
Other employee benefits [I]	**25,052**	32,206
Total employee benefit expenses	**26,370**	33,502
Fees paid to auditors:		
Audit of the financial statements	**277**	280
Other non-audit services [II]	**26**	34
Total fees paid to auditors	**303**	314
Other expenses	**9,199**	14,196
Total operating expenses	**9,502**	14,510

[I] Other employee benefits are net of government wage subsidies (New Zealand) and JobKeeper payments (Australia) which were paid directly to the employees during pandemic lockdowns. Total government subsidies were $4,961,000.

[II] Subsidiaries received taxation advice and a review of their half year figures.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 5 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.

	2021 $000	2020 $000
Income tax recognised in profit or loss:		
(Loss)/profit before tax	15,830	(3,556)
Prima facie tax at 28%	4,433	(996)
Tax effects of different jurisdictions	169	68
Non deductible expenditure	621	3,237
Non assessable income	262	99
Unutilised tax losses	(1,481)	-
Imputation credits offset	(383)	(600)
Reversal of deferred tax liability from change in property tax rules	-	(5,408)
Prior period adjustment	517	(53)
Tax (benefit)/expense	4,138	(3,653)
Current tax	2,606	3,191
Deferred tax	1,532	(6,844)
Imputation credit account balance at end of year	3,219	2,605

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 5 Tax Expense (continued)

2020	Opening balance $000	Charged to income and comprehensive income $000	Charged to equity $000	Exchange differences $000	Closing balance $000
Gross deferred tax liabilities:					
Property, plant and equipment	8,747	(5,841)	-	-	2,906
Lease	-	2,131	-	-	2,131
Fair value through profit or loss financial assets	(154)		-	-	(154)
	8,593	(3,710)	-	-	4,883
Gross deferred tax assets:					
Provisions, doubtful debts and impairment losses	1,675	822	-	1	2,498
Lease	-	2,279	-		2,279
Fair value through profit or loss financial assets	20	(20)	-	-	-
Tax losses	671	49	-	-	720
	2,366	3,130	-	1	5,497

2021	Opening balance $000	Charged to income and comprehensive income $000	Charged to equity $000	Exchange differences $000	Closing balance $000
Gross deferred tax liabilities:					
Property, plant and equipment	2,906	147	(97)	-	2,956
Lease	2,131	1,786	-	-	3,917
Fair value through profit or loss financial assets	(154)	522	-	-	368
	4,883	2,455	(97)	-	7,241
Gross deferred tax assets:					
Provisions, doubtful debts and impairment losses	2,498	795	-	-	3,293
Foreign currency monetary items	-	-	91	-	91
Lease	2,279	128	-	-	2,407
Tax losses	720	-	-	-	720
	5,497	923	91	-	6,511

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 6 Trade Receivables

Trade receivables without significant financing components are initially recognised at transaction cost and subsequently measured at amortised cost. Impairment losses are calculated using the Expected credit loss - simplified approach, as permitted under NZ IFRS 9, which uses a lifetime expected loss allowance. Changes in the carrying amount of the allowance account are recognised in profit or loss.

	2021 $000	2020 $000
Trade receivables [i]	**11,561**	11,446
Allowance for doubtful debts	**(55)**	(55)
	11,506	11,391
GST and other receivables	**1,482**	1,474
	12,988	12,865

[i] The average credit period on sales of goods is 45 days (2020: 44 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 $1,242,000 (2020: $1,750,000). 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 (2020: 68 days).

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

	2021 $000	2020 $000
Ageing of past due but not impaired trade receivables:		
30-60 days	**848**	732
61-90 days	**175**	574
91-120 days	**219**	444
Total	**1,242**	1,750

	2021 $000	2020 $000
Movement in doubtful debts:		
Balance at beginning of the year	(55)	(56)
Amounts provided for during the year	-	-
(Increase)/decrease in allowance recognised in profit	-	1
Balance at the end of the year	(55)	(55)

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 2021

Note 7 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.

	2021 $000	2020 $000
Merchandise held for resale	**13,407**	14,687
Goods in transit	**2,584**	1,899
Work in progress	**172**	152
Raw materials	**556**	474
Provision for obsolescence	**(2,893)**	(3,302)
	13,826	13,910

Note 8 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 (FVPTL)

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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Amortised cost

Loans and receivables are recorded at amortised cost less impairment. For Performing loans and receivables, where the credit risk is in line with the original expectations, the Group applies the 12 month expected credit losses model. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime. For Underperforming loans and receivables, where a significant increase in credit risk has occurred compared to original expectations, a significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due. For such loans, the group applies a lifetime expected losses approach to calculate the expected credit loss provision.

To measure the expected credit losses, management has obtained collateral values and assessed the probability of default. Management also consider the history of payments, account activity, economic factors and other relevant information when determining the amount of loss allowance.

The company has recognised an expected credit loss of $286,000 for the year ended 31 March 2021 (31 March 2020 : $nil). This is based on the information available at that time and taking into consideration events that occurred up to the date of authorisation of the financial statements.

	2021 $000	2020 $000
Loans and receivable at amortised cost:		
Interest bearing loans advanced to other parties	**14,144**	1,845
Financial assets at fair value through profit or loss:		
Publicly listed shares	**4,009**	988
Private shares	**1,350**	2,559
Fair Value through Other Comprehensive Income		
Publicly listed shares	**73,913**	59,368
Private shares	**51,638**	30,037
	145,054	94,797
Current	**7,689**	2,833
Non-current	**137,365**	91,964

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 9 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	PPE Total $000	ROU Assets $000	Total $000
2020								
Gross value at the beginning of the year		15,021	43,169	15,029	749	73,969	13,971	87,940
Additions		6	3,891	632	195	4,724	16,912	21,636
Impairment loss		-	-	-	-	-	(1,397)	(1,397)
Disposals		(6)	(1,925)	(164)	(40)	(2,135)	-	(2,135)
Restatement		6	(111)	(555)	0	(660)	-	(660)
Gross value at the end of the year		**15,028**	**45,024**	**14,942**	**904**	**75,898**	**29,486**	**105,384**
2021								
Gross value at the beginning of the year		15,028	45,024	14,942	904	75,898	29,486	105,384
Additions		9	610	552	30	1,201	679	1,880
Impairment loss reversal		-	(23)	(28)	(2)	(53)	(1,949)	(2,002)
Disposals						-	1,192	1,192
Effect of movements in foreign exchange		-	-	-	-	-	123	123
Restatement		-	31	(664)	326	(307)	-	(307)
Gross value at the end of the year		**15,037**	**45,642**	**14,802**	**1,258**	**76,739**	**29,531**	**106,270**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

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	PPE Total $000	ROU Assets $000	Total $000
2020								
Accumulated depreciation at the beginning of the year		6,503	33,633	8,053	564	48,753	-	48,753
Depreciation expense	30	316	2,100	889	135	3,440	2,815	6,255
Disposals		-	(1,764)	(137)	(1)	(1,902)	-	(1,902)
Restatement		-	(656)	(1)	(3)	(660)	-	(660)
Accumulated depreciation at the end of the year		6,819	33,313	8,804	695	**49,631**	2,815	**52,446**
2021								
Accumulated depreciation at the beginning of the year		6,819	33,313	8,804	695	49,631	2,815	52,446
Depreciation expense		301	2,157	944	118	3,520	2,843	6,363
Disposals		-	(22)	(28)	(2)	(52)	(728)	(780)
Effect of movements in foreign exchange		-	-	-	-	-	14	14
Restatement		-	45	(648)	296	(307)	-	(307)
Accumulated depreciation at the end of the year		7,120	35,493	9,072	1,107	52,792	4,944	57,736
Net book value								
As at 31 March 2020		8,209	11,711	6,138	209	26,267	26,671	52,938
As at 31 March 2021		7,917	10,149	5,730	151	23,947	24,587	48,534

The Group has receivables from finance leases relating to the sub lease of premises that have been disclosed as a right of use asset.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 10 Investment Property

Investment property comprises a commercial property and a number of adjacent residential properties. The commercial property is leased to Hellers for 8.4 years and Hellers has two rights of renewal. The lease payments adjust by CPI.

	2021 $000	2020 $000
Gross carrying amount		
Gross value at the beginning of the year	32,604	32,604
Additions	8	-
Gross value at the end of the year	32,612	32,604
Accumulated depreciation and impairment		
Accumulated depreciation at the beginning of the year	9,576	8,565
Depreciation expense	1,002	1,011
Accumulated depreciation at the end of the year	10,578	9,575
Net book value	22,034	23,028

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.

The investment property was valued as at 31 March 2021 as having a market value of $31,100,000 by Colliers Ltd. This valuation is not reflected in these financial statements.

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.

	2021 $000	2020 $000
Operating Lease receivables as a lessor		
Within 1 year	2,343	2,190
Greater than 1 year, but less than 2 years	2,343	2,190
Greater than 2 year, but less than 5 years	7,028	6,570
Greater than 5 years	8,199	9,855
Total undiscounted lease payments receivable	**19,913**	**20,805**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 11 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

	2021 $000	2020 $000
Auckland Packaging Company Limited	**1,826**	1,826
Bio-Strategy Limited	**6,626**	6,626
Domett Properties Limited	**4,615**	4,615
Total goodwill	**13,067**	13,067

	2021 $000	2020 $000
Cost	**19,788**	19,788
Accumulated Impairment	**(6,721)**	(6,721)
Total goodwill	**13,067**	13,067

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 less cost to sell. 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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 12 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.

	2021 $000	2020 $000
Trade creditors [i]	**8,669**	13,581
GST payable	**1,080**	902
Accrued interest	**474**	680
Deferred income	**3,783**	1,585
Other payables	**3,854**	6,791
	17,860	23,539

[i] The average credit period on purchases of certain goods is 24 days (2020: 35 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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 13 Borrowings and Other Financial Liabilities

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

	2021 $000	2020 $000
Unsecured at amortised cost		
Current		
Loans from non-controlling interests in subsidiaries	7,613	10,996
Non-current		
Loans from non-controlling interests in subsidiaries	2,025	977
Secured at amortised cost		
Current		
Bank loans (I)	800	8,956
Finance lease liabilities	8	7
Non-current		
Bank loans (I)	6,406	874
Finance lease liabilities	12	19
	16,864	21,829
Current portion	8,421	14,459
Non-current portion	8,443	7,370

(I) (I) Bio-Strategy Holdings Limited refinanced its loan and overdraft facilities with BNZ in October 2020 and the term of the facilities are for three years. The bank loans are secured by a first ranking general security agreement over all of the present and after acquired property. Bio-Strategy breached their loan covenants in the first quarter but have met all the requirements since the establishment of the refinanced facilities.

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.

Polynesian Spa Limited has a Custom Average Rate Loan facility with BNZ of $2,350,000 which expires in July 2022. It is secured by a general security agreement over all its assets, uncalled capital and undertakings of the company. A loan drawn on this facility of $875,000 was repaid during the year.

Domett Properties Limited has a Custom Average Rate Loan facility with BNZ of $2,000,000 which expires in June 2023. It is secured against the investment property described in note 12. $2,000,000 was drawndown in August 2020 and $750,000 has been repaid during the year.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 13 Borrowings and Other Financial Liabilities (continued)

(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 Group does not hedge account for its derivatives.

	2021 $000	2021 $000
Current		
Foreign currency forward contracts	**299**	377
	299	377

Note 14 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.

	2021 $000	2020 $000
Employee benefits - current	**3,264**	2,502
Make good on lease - current	**50**	-
Make good on lease - non-current	**600**	410
Other current provisions	**1**	-
	3,915	2,912

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 15 Share Capital

	2021 $000	2020 $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)**	(45)
	17,667	17,667

"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.

Note 16 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.

	2021 $000	2020 $000
Profit attributable to equity holders of the Parent	**9,862**	(1,336)
Number of shares	**17,708**	17,708
Earnings per share (cents)	**55.7**	(7.5)

Note 17 Dividends

	2021	2020
Amount paid (cents per share)	**54.0**	60.0
Amount paid ($000's)	**9,564**	10,627

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 18 Capital Commitments

	2021 $000	2020 $000
Plant and equipment	-	77
Investments [i]	**6,330**	2,637
	6,330	2,714

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

Note 19 Contingent Liabilities

There are no significant contingent liabilities (2020: nil).

Note 20 Subsidiary Associate and Joint Venture Companies

The Group financial statements are prepared by consolidating 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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

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	**2021**	**2020**
Auckland Packaging Company Limited	Packaging	100%	100%
Bio-Strategy Holdings Limited	Distribution of scientific equipment	70%	70%
Bio-Strategy Laboratory Products Pty Limited (I)	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	68%	63%
Global Science 1'(I)	Distribution of scientific equipment	70%	70%
Global Science 2'(I)	Distribution of scientific equipment	70%	70%
Global Science GP'(I)	Distribution of scientific equipment	70%	70%
Global Science LP'(I)	Distribution of scientific equipment	70%	70%
Inflex Systems (I)	Special purpose investment	0%	85%
NZ Experience Limited	Special purpose investment	100%	100%
Polynesian Spa Limited	Tourism	51%	51%
Precision Dispensing Systems Limited (II)	Special purpose investment	0%	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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 20 Subsidiary Associate and Joint Venture Companies (continued)

Rangatira had significant influence over the following companies for the period ended 31 March 2021. Accordingly, they are recognised as associate companies and equity accounted (note 3).

	Principal activities	Percentage owned at 31 March 2021	2020
Magritek Holdings Limited	Scientific equipment manufacturing	**27%**	25%
Mrs Higgins (2004) Limited	Manufacturing	**50%**	50%
NZ Pastures Ltd	Sheep, beef and forestry property	**20%**	9%

	2021 $000	2020 $000
Investments in associates are as follows :		
Magritek Holdings Limited	**9,329**	8,313
Mrs Higgins (2004) Limited [(I)]	**4,554**	4,694
NZ Pastures Ltd	**4,395**	-
	18,278	13,007

	2021 $000	2020 $000
Equity accounted earnings of associates are as follows:		
Magritek Holdings Limited	**1,718**	(70)
Mrs Higgins (2004) Limited	**262**	
NZ Pastures Ltd	**(298)**	-
	1,682	(70)

[(I)] For Mrs Higgins 2021 impairment was nil (2020 : $986,000)

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 21 Related Party Transactions

Transactions and Balances with Key Management Personnel

The transactions and balances below are those between the Group and key management personnel.

	2021 $000	2020 $000
Expenses		
Key management personnel expenses comprised :		
Short-term employee benefits	**3,379**	3,020
Retirement benefits	**98**	-
	3,477	3,020

Key management personnel consisted of the chief executives and senior employees of the parent and subsidiary companies.

Directors' fees paid to directors of Rangatira Ltd and its subsidiaries during the year were $462,000 (2020 : $492,000)

Note 22 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 position 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 under the previous financing arrangements which have been superseded.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 22 Financial Instruments (continued)

(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.

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

	2021 $000	2020 $000
Assets		
AUD	**12,974**	6,779
HKD	**1**	-
EUR	**5**	-
USD	**32,184**	34,135
Liabilities		
USD	**3,701**	8,968
EUR	**1,688**	527
AUD	**10,593**	7,899
GBP	**267**	116
CHF	**(1)**	21

(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. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions out to 12 months within 25% to 85% of the exposure generated.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

(d) Categories of Financial Instruments

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	Total $000
Assets					
Cash and cash equivalents	52,493	-	-	-	52,493
Trade and other receivables	12,864	-	-	-	12,864
Other financial assets	1,845	89,403	3,547	-	94,795
Total financial assets	67,202	89,403	3,547	-	160,152
Total non-financial assets	-	-	-	-	123,443
Total assets	67,202	89,403	3,547	-	283,595
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	-	-	-	-	36,631
Total liabilities	-	-	377	45,641	82,649

2021	Loans and receivables $000	Fair value through other comprehensive income $000	Fair value through profit or loss $000	Financial liabilities at amortised cost $000	Total $000
Assets					
Cash and term deposits	21,118	-	-	-	21,118
Trade and other receivables	12,988	-	-	-	12,988
Other financial assets	14,144	125,551	5,359	-	145,054
Total financial assets	48,250	125,551	5,359	-	179,160
Total non-financial assets	-	-	-	-	123,637
Total assets	48,250	125,551	5,359	-	302,797
Liabilities					
Trade and other payables	-	-	-	17,860	17,860
Borrowings and other financial liabilities	-	-	299	16,864	17,163
Total financial liabilities	-	-	299	34,724	35,023
Total non-financial liabilities	-	-	-	-	39,000
Total liabilities	-	-	299	34,724	74,023

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 22 Financial Instruments (continued)

(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 $5,706,000 (2020: $8,831,000).

(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 also incurs credit risk from holding loans and receivables with third parties as investments. These loans and receivables have been recorded at cost less the expected credit loss (ECL) as prescribed by IFRS 9. The maximum credit risk is capped at the maximum carrying value of the loan as per note 9.

(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 $739,000, and the financial assets at fair value through profit and loss by $40,000.

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 $521,000, and the financial assets at fair value through profit and loss by $14,000.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

(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).

The holding in Aroa Biostrategy has been transferred between Levels 1 and 3 of the fair value hierarchy during the year ended 31 March 2021 due to it being listed on the ASX in July 2020. The value of the holding at the point of listing was $1,424,000. (2020: nil).

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 at fair value	60,356	-	32,596	**92,952**

2021	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit and loss				
Shares	4,009	-	1,350	**5,359**
Fair value through other comprehensive income				
Shares	73,913	-	51,638	**125,551**
Total financial assets at fair value	77,922	-	52,988	**130,910**

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 2021

Note 22 Financial Instruments (continued)

(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
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**
2021						
Non-interest bearing	18,158	868	238	1	-	**19,265**
Finance lease liability	1	1	6	12	-	**20**
Variable interest rate instruments	-	200	600	4,906	-	**5,706**
Fixed interest rate instruments	6,508	-	-	3,525	-	**10,033**
Total financial liabilities	24,667	1,069	844	8,443	-	**35,023**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 23 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	2021 $000	2020 $000
Profit after tax		**11,692**	97
Add/(less) non-cash items:			
Share of retained profit for the year from associate companies		**(1,682)**	129
Depreciation and amortisation	9,10	**7,647**	6,856
Other miscellaneous non-cash items		**-**	1
(Decrease) in deferred tax		**1,344**	(8,198)
Impairment loss on investment	9	**(1,192)**	9,104
		6,117	7,892
Add/(less) movements in other working capital items:			
Change in trade receivables		**(406)**	(44)
Change in inventories		**84**	(888)
Change in other current assets		**986**	(240)
Change in trade payables		**(5,897)**	7,558
Change in current tax payable		**590**	1,262
Change in provisions		**1,003**	380
Change in other current financial liabilities		**(78)**	208
		(3,718)	8,236
Less items classified as investing activities:			
Net gain on sale of investments		**(332)**	(429)
Net (gain)/loss on sale of fixed assets		**(10)**	(1,559)
		(342)	(1,988)
Net cash inflows from operating activities		**13,749**	14,237

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2021

Note 24 Segmental Information

	Public investments		Private investments		Group	
	2021 $000	2020 $000	2021 $000	2020 $000	2021 $000	2020 $000
Revenue	**1,864**	1,880	**115,558**	111,008	**117,422**	112,888
Segment profit before finance costs, interest revenue and tax	**354**	357	**14,061**	4,293	**14,415**	4,650
Interest revenue					**959**	1,611
Reversal of Impairment loss on investments					**1,192**	(9,104)
Share of profit for the year from associate companies					**1,682**	1,759
Finance costs					**(2,418)**	(2,472)
Tax					**(4,138)**	3,653
Profit after tax from continuing operations					**11,692**	97
Segment assets	**77,922**	60,356	**224,875**	221,857	**302,797**	282,213
Segment liabilities	-	-	**74,023**	81,267	**74,023**	81,267

Rangatira's internal organisational structure, including regularly reporting to the Chief Executive Officer, 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 25 Subsequent Events

Rangatira Limited has agreed to pay a dividend of 36 cps on 12 July 2021.

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 33 to 66:

i. present fairly in all material respects the Group's financial position as at 31 March 2021 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 and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 March 2021;

— 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 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('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 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.

KPMG

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-7/

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

KPMG

KPMG
Wellington

14 June 2021

SUPPLEMENTARY INFORMATION

Dividends

The Directors have resolved to declare a partially imputed final dividend of 36 cents per share to be paid on 12 July 2021. An interim dividend of 24 cents per share was paid on 21 December 2020. This makes a total of 60 cents per share for the year ending 31 March 2021, 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

There were no changes in the composition of the board during the year.

Directors re-election

In accordance with the provisions of the Company's constitution, Sam Knowles and David Gibson 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:

David Pilkington	$98,150
Douglas (Keith) Gibson	$69,175
David Gibson	$58,335
Sophie Haslem	$61,813
Ian (Sam) Knowles	$58,335
Catherine Quinn ONZM	$58,335
Richard Wilks	$58,250

Directors' shareholdings

	2021 (as at 31 March 2021)	
	A shares	**B shares**
David Pilkington	23,800	2,520
Douglas (Keith) Gibson	63,500	-
David Gibson	8,000	-
Sophie Haslem	4,000	-
Ian (Sam) Knowles	23,815	33,252
Catherine Quinn ONZM	15,000	-
Richard Wilks	8,000	-

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:

	2021	2020
$100,000-$110,000	16	17
$110,001-$120,000	13	14
$120,001-$130,000	3	11
$130,001-$140,000	6	7
$150,001-$160,000	1	5
$160,001-$170,000	2	2
$170,001-$180,000	3	1
$180,001-$190,000	-	1
$190,001-$200,000	-	1
$200,001-$210,000	-	1
$210,001-$220,000	1	-
$220,001-$230,000	1	-
$230,001-$240,000	1	-
$240,001-$250,000	-	1
$250,001-$260,000	1	3
$260,001-$270,000	-	1
$270,001-$280,000	1	-
$280,001-$290,000	1	-
$300,001-$310,000	-	1
$380,001-$390,000	1	
$390,001-$400,000	-	1
$460,001-$470,000	1	-
$510,001-$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.

Auditor

The Company's Auditor through the year was KPMG.

On behalf of the Board

D A Pilkington
Chair

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

BACKGROUND

At the Rangatira annual general meeting held on 31 July 2017, shareholders resolved to approve 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 explained in the explanatory note accompanying 2017 annual general meeting notice.

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 annual general meeting held 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 Rangatira Board from time to time. However, it 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.	There have been no relevant changes since the last annual report (i.e. 31 March 2021 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 2021 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%**

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
M N Olde – Investment Director (Auckland)
A B Barker – Financial Accountant
K W Purdon – Investment Analyst

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IMAGE COURTESY OF OUTWARD BOUND NZ

RANGATIRA
INVESTMENTS