RANGATIRA
INVESTMENTS

2023
ANNUAL REPORT

www.rangatira.co.nz

Te Omanga Hospice
Te Whare Manaaki Tangata

Annual Meeting of Shareholders

Monday 31 July 2023, 4:30pm

Forsyth Barr
NTT Tower
Level 22
157 Lambton Quay
Wellington

Company

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IMAGE COURTESY OF TE OMANGA HOSPICE
Te Omanga Hospice driveway entrance and gardens.

Growing Great New Zealand Businesses

Founded in 1937, Rangatira Investments has a proud history of investing in leading New Zealand companies. In the 86 years since J R McKenzie established Rangatira, we have been a key investor in many 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 can 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 is an established owner of New Zealand private businesses with an enviable reputation and consistent record of delivering value for its shareholders.

We manage our investments with our shareholders at the forefront of our thinking – many of these being charitable trusts – and understand the importance of maintaining and growing Rangatira and the income it provides to our shareholders.

Rangatira embodies the pioneering vision of the McKenzie family. Through a desire to build a sustainable investment company that is here for at least another 86 years, growing great New Zealand businesses and delivering income and asset growth to all its shareholders, we embrace our guardianship of the McKenzie family legacy.

J R McKenzie Trust

Ngā Manu Nature Reserve

Cystic Fibrosis Association of New Zealand

Te Omanga Hospice Te Whare Manaaki Tangata

National Foundation for Deaf & Hard of Hearing

Outward Bound Anakiwa New Zealand

Birthright New Zealand

YWCA Empowering Women Aotearoa New Zealand

Women's Refuge

Investment Performance

OPERATING CASHFLOWS

$18.5m

TOTAL SHAREHOLDER RETURN (1 YEAR)%

15.1% pa

AGAINST BENCHMARK OF

8.2% pa

NET ASSET VALUE OF

$18.05 per share

NET PROFIT AFTER TAX

$20.4m

BOOK VALUE

$15.19 per share

TOTAL SHAREHOLDER RETURN (3 YEARS)%

16.5% pa

AGAINST BENCHMARK OF

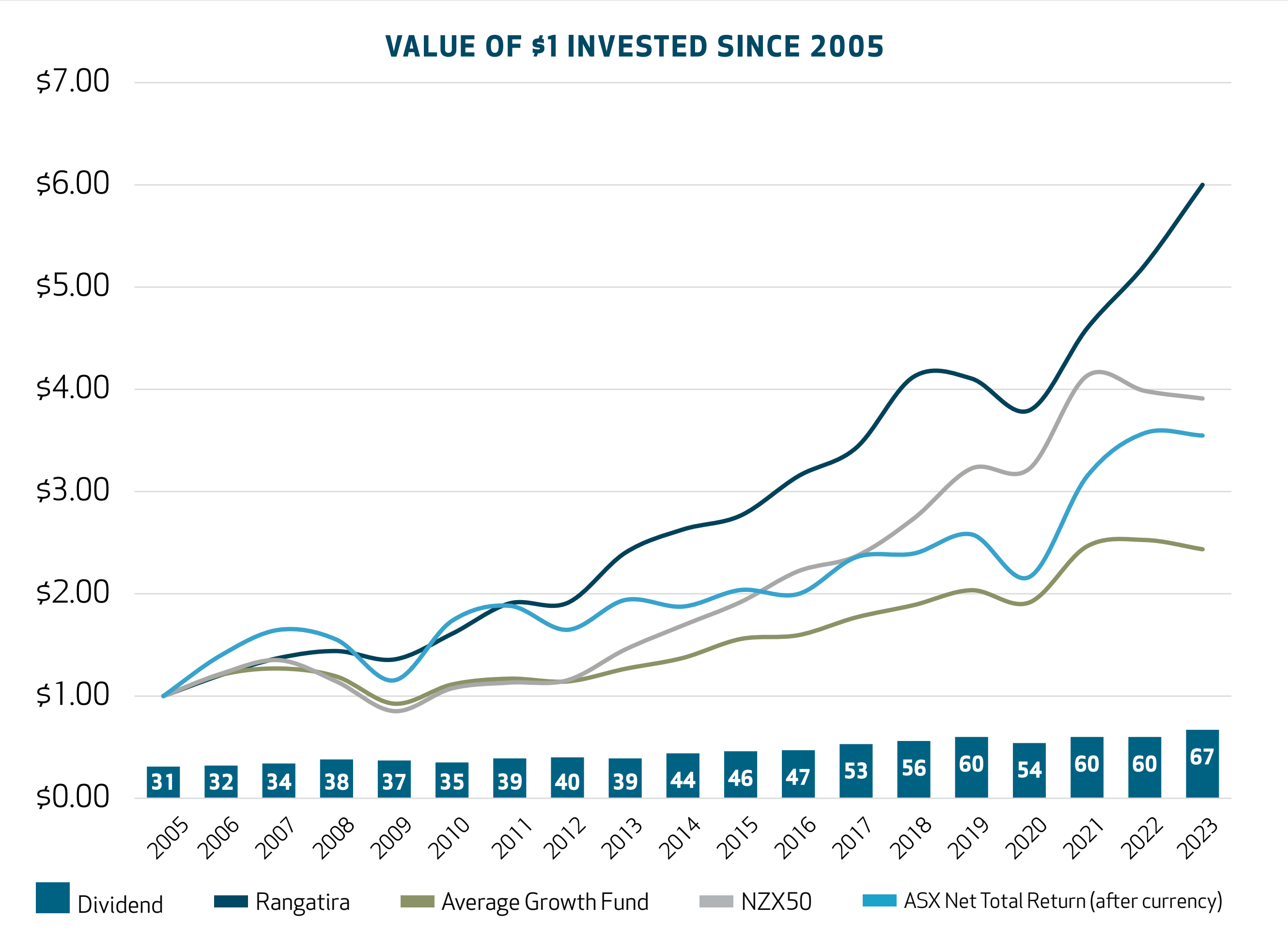
10.4% pa

TOTAL COMPREHENSIVE EARNINGS

$29.7m

TOTAL SHAREHOLDER RETURN

$2.45 per share



DAVID PILKINGTON
Chair

MARK DOSSOR
Chief Executive Officer

Chair and Chief Executive Report

Introduction

As we prepare to finalise our 2023 Annual Report, the opinion polls reveal a tightening race as to which of the political parties will be able to form a government following the upcoming national election.

What is apparent is that the election outcome will lead to two quite different paths for New Zealand. In recent times the two leading parties have advocated a centrist policy direction, so either way New Zealand has by and large followed a centrist policy path.

This time, with the potential for coalition parties to be more influential, the two options appear to be quite different. So, the election in October could well result in the country heading in one of two distinctly different paths.

This will have an impact on the New Zealand economy and therefore the investment environment in the coming years. Whichever result we end up with in October, the differences will be stark and embedded for some time.

The Reserve Bank has indicated an end to near-term interest rate increases, a sign that they see the storm clouds of recession appearing on the horizon as recent high levels of inflation and interest rates have slowed spending to a point that we will see the economy contract. In time, this will lead to lower inflation and at some point, interest rates will follow. This will see heightened unemployment, reduced consumer spending and a fall in business investment in the coming eighteen months, with flat to declining assets values.

None of this will be a surprise to most as it has been well documented. Without wishing to downplay the harsh impacts on individuals and communities, in some respects, it is better to quickly progress through what feels like an inevitable cycle so that we can quickly return to more positive economic settings. We remain optimistic that this will happen quicker than we think and that it will not be too long before we see the economy turn. History has demonstrated that it is human nature to react and adapt, with the consequence being that a return to growth is inevitable, as is the current expectation of a slowdown.

In the 2022 Annual Report, we commented on the international settings as we faced the end of Covid, the Ukraine conflict, climate change effects and general worldwide instability.

We felt the biggest impact on Rangatira's portfolio was likely to arise from rising inflation, employee and material shortages and high cost of debt. To a degree, these economic parameters still exist, and we are still managing these issues within all our investments.

However, the biggest current challenge to Rangatira's medium-term prospects are the domestic settings and how quickly New Zealand emerges from this recessionary environment relative to the rest of the world. While we believe that we should operate commercial businesses regardless of the political environment, currently we are particularly mindful of the potential impact and interference from Government and to minimise this risk as far as possible.

Overall, our direction has not changed, and we will continue to invest our time and resources in building strong and sustainable businesses. The focus in the coming twelve months will be maintain operating earnings through this period of high interest rates and inflation. Further, we will continue to look for quality investments with aligned and long-term partners that offer good return for the risk.

Historically our returns have been largely equally split between growth in operating earnings and capital value. In FY24 and FY25 we do not expect significant asset appreciation as we have in recent years, with shareholder returns expected to be generally more reliant on the operating earnings of our businesses, although we do see some of our portfolio businesses bucking this trend and continuing to deliver asset appreciation due to underlying business performance and/or industry tailwinds.

Irrespective, with this in mind we have been very focused on increasing the operating earnings capacity of our existing businesses. To that end, our share of the operating earnings from our investments is expected to increase in the FY24 year.

In summary, this has been a good year for Rangatira, both in terms of returns we have delivered, progress made within the portfolio, completing the capital raise and the new staff that have joined to build a more resilient and quality team at Rangatira.

As always in our game, along with successful progress, there are examples of the investments that got away and the occasional surprise that appears in a new investment made. While there are always setbacks and lessons to be learnt, the team has done well and delivered good results and we remain positive about how we are positioned for the coming year and beyond.

FY23 Results

	FY23	FY22	FY21
Net Profit after Tax	$20.4m	$9.3m	$9.9m
Total Comprehensive Income	$29.7m	$34.0m	$34.5m
Net Asset Value - Financial statements	$318m	$250m	$227m
Net Asset Value - Director's valuation	$378m	$288m	$263m
Share value - Director's valuation	$18.05	$16.27	$14.87
Share Price - A Shares	$14.15	$14.75	$12.25
Share Price - B Shares	$14.00	$14.75	$12.25
Dividend per share	$0.67	$0.60	$0.60
Total Shareholder return ($)	$2.45	$2.00	$2.64
Total Shareholder return p.a.	15.1%	13.4%	21.1%
Rangatira Benchmark return p.a.	8.2%	7.1%	16.0%

This year we have recorded a Total Shareholder Return (TSR) of 15.1 per cent pa (13.4 per cent pa, FY22). This exceeded Rangatira's benchmark return of 8.2 per cent pa and the NZX50 index of -1.9 per cent pa.

This takes our three-year return to 16.5 per cent pa versus our benchmark of 10.4 per cent pa and the NZX50 of 6.9 per cent pa.

The Directors' Net Asset Value (NAV) per share as of 31 March 2023 is assessed at $18.05 compared with $16.27 last year, taking the portfolio valuation to $378m ($288m, FY22).

The increase was a result of operating earnings and asset appreciation of $58m, the net funds received from capital raise of $45m offset by dividend payments of $13m.

Asset appreciation resulted from the sale of our Partners Life stake, the continued performance of Magritek, an increased independent valuation of BeGroup properties and the rebound in the performance of Rainbows End and Polynesian Spa. The rest of the private investments are at similar asset values to those of a year ago.

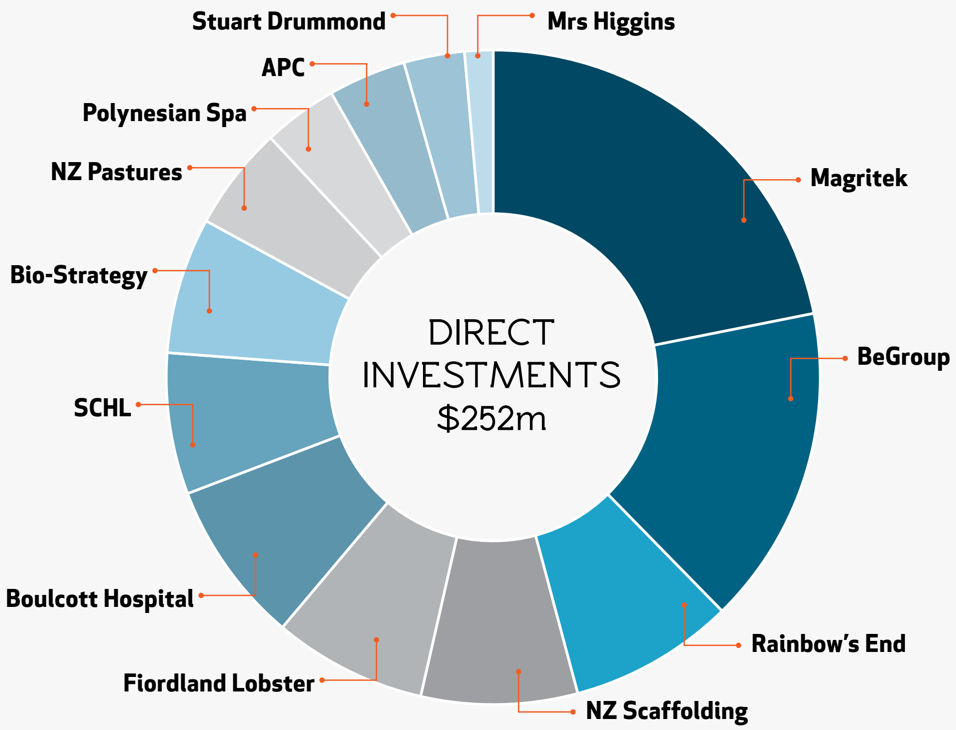
Net Profit after tax for the financial year ending 31 March 2023 is $20.4m, up on $9.3m recorded last year. This includes the gain on the sale of the Hellers property, higher interest income, with most of the portfolio companies performing to plan except a few that were hit by inflation, staff sickness and/or weather events.

Direct Investments

Rainbows End continued its strong recovery after Covid, benefiting from high domestic activity. This led them to achieve record earnings and visitor numbers, despite the poor weather over January and February.

The park experience has improved significantly over the last three years both in the offering and improved facilities through a consistent reinvestment program. The Board and Leadership team deserve accolades for how well the park is now positioned.

Polynesian Spa, too has put Covid behind it, benefiting from the return of international tourists and continued strong domestic demand. Patronage and earnings are well up on the previous year and will quickly return to volumes and earnings levels prior to Covid. The management team have done well to quickly increase the capacity and staff numbers to meet the quick return of higher visitor numbers.



There is a competing facility being opened later this year not far from the Polynesian Spa site. It is unclear the impact this may have on the operations, but in the short term, we expect some impact on visitor numbers.

NZ Scaffolding has proven largely resilient to the reduced demand seen in residential building numbers. While only invested for approximately six months it has performed according to plan with good discipline over capital expenditure and high cash conversion.

With the strong pipeline of infrastructure investment nationwide, impacts from Cyclone Gabrielle and the strong market in Wellington we expect another good year ahead.

Our initial expectations of a cyclical fall in demand and earnings at the time of making this investment have not yet materialised.

BeGroup continues to see good demand across its six villages, while some perform better than others on balance they continue to trade well and above our expectations. We expect to add one more village to the group in the first half of this year and may continue to opportunistically look for further villages to add to the portfolio.

The investment has performed well seeing strong resale cash flows and an uplift in independently assessed valuations.

We hold the view that due to the demand characteristics and increasing acceptance of the offering that this will be less correlated to property prices than it has in the past. Certainly, in the case of higher-end offerings like Rawhiti, this is proving to be the case.

While there are several regulatory reviews underway for this sector, we believe the overall industry dynamics and underlying demand provide a robust environment for ongoing investment.

Magritek is now our largest investment as its earnings and value has continued to grow. This consistent growth has led Ampersand Capital, a large US-based technology investor, to increase its stake from 6.7 per cent to 20 per cent stake in June 2023.

The business has had another record year with revenues up 23 per cent on the prior year, and now with five-year revenue growth of 19 per cent per annum. This has led to record levels of profitability which has allowed the business to return over $26m to shareholders in the last five years through dividends and share buybacks.

The Company continues to develop its product offerings with ongoing refinements and enhancements of its very successful Spinsolve© line of nuclear magnetic resonance (NMR) spectrometers which we are currently offering with 60 MHz, 80MHz and 90 MHz field strengths and in Classic, Ultra and MultiX models.

Having been the first to market, we now hold a 50 per cent share in a market that continues to grow. Demand remains strong and is growing particularly fast for higher field strength and with the Ultra and MultiX enhancements. This demonstrates how far our NMR spectrometers have come, from primarily a university teaching tool in the early years to a tool for scientific investigational and research work that is flexible, cost-effective, and rapid, and in some applications provides more utility than high-field NMR. We are also seeing increased use in industry for applications such as process development, and in government for forensic applications.

Magritek's German production facility has continued to operate efficiently and safely, and we are now considering expanding the facility by a further 25 per cent to meet demand.

Fiordland Lobster recorded another record profit, although was impacted by high stock losses in the closing months of the season, due in part to higher-than-normal water temperatures. An extensive review was completed into the processes around transporting and processing fish when water temperatures are high, providing a greater understanding so we feel we are in a better position for the future.

The Australian market continues to be closed to China, although we hope this will open in the short to medium term which should have a material impact on earnings. This has advanced our work to sell into new markets. While it is early days, good progress is being made in the USA, Singapore, and South Korea.

For New Zealand product, with the Chinese borders and economy opening, we are seeing more consistent demand than we have had over the last three years.

New Zealand Pastures saw a fall in lamb and beef pricing this session which led to lower earnings. Nonetheless, with farming operations now in the second year of traditional farming as opposed to running the properties as fattening blocks, we have seen improvements in the efficiency and stability of earnings.

Considerable effort recently has been expended into developing a portfolio of forestry blocks. We now have 13 blocks of between 100ha to 1,100ha which have been planted in the 2021, 2022 and 2023 winters. In total, we will have 4,900 ha planted at the end of the 2023 winter. All blocks are managed to harvest once the trees are mature, rather than have them as permanent forests.

We benefit in the case that the carbon price rises, and to a degree, as this rises so too does the cost of bare land for planting. We have tried to remain disciplined about both the nature of the blocks we purchase and the price we offer for these. Over their life, these forests are expected to generate between 1.8m to 2.0m carbon credits (370 to 400 per ha).

Over the time we have been doing this the carbon price has gone from $25 to $90 and now to $50. The recent fall is due to speculation about the future regulation of the current carbon settings.

While increased regulatory risk remains around the carbon regime and how pine forests may or may not participate in this, we are cautious about increasing our exposure over and above what we already have.

These short-term fluctuations have limited impact on the investment to date as the carbon will not start to accrue on our properties until post 2027 and we hold all these properties at the cost of the land and development costs incurred.

Kiwifruit Orchards have had a remarkable season and seemed to dodge every weather event that was presented to the sector this year. The weather events including floods, wind and frost had a limited impact on our Orchards. A lot of credit for this goes to the diligence of Southern Cross Horticulture (SCH) the manager who through site selection, design and implementation has positioned the Orchards as well as one can.

To a degree, the heat has come out of the Kiwifruit industry as concerns are raised around poor quality, labour shortages and higher licence costs and increasing interest rates. Despite negative media reports on the industry more generally, for the top-performing orchards run by leading operators like SCH we believe the long-term returns for our Eastern Rise and Oaklands will still be very good.

Boulcott Hospital has had a challenging year. While demand for the hospital is high, we experienced high levels of sickness in nursing and medical staff late in 2022 which impacted the running costs this year. In addition, we have had to meet the increased wage rates for theatre and nursing staff to remain ahead of the public pay rates. While we anticipated this, we did not expect that we would be required to meet this increase in cost ahead of any increase in our charge rates from Insurers, ACC, and Te Whatu Ora. As these rates increase to account for this, we expect the earnings levels to recover.

We have advanced the development of two additional theatres on the site and expect to commence site works this year.

Bio Strategy has made positive steps to grow revenues and add new agencies to broaden the revenue base. While they were behind budget due to some one-off stock write-offs and poor performance of our New Zealand operations, we feel the business is positioned well to grow in the coming years with a stable senior team and strong position with its key agencies.

The Australian market is now over 65 per cent of revenues and rising in an economy with more scale and research and healthcare spending.

The acquisition of VWR in 2017 and moving the head office to Melbourne in 2018 have been vindicated despite the difficulties of integration. It has provided us with a significant presence and scale in Australia, a more prosperous market for a company like Bio Strategy.

Mrs Higgins experienced significant increases in raw material and employee costs which squeezed profitability. This was slightly offset by strong gains in volumes, operational efficiency, and price increases, placing the business well for the future. This is still a small business for Rangatira and while we are now a 100 per cent owner and the business has stabilised, we are likely to consider our options for this investment in the coming year.

Stuart Drummond was impacted by two major weather events in the Nelson and Marlborough area over several months. Nonetheless, good operational discipline enabled a significant reduction in acquisition debt as well as funding a small bolt-on acquisition from internal cash flows. The business continues to trade well and to expectation although industry headwinds are expected to impact the business through the latter part of this year.

Auckland Packaging Company has had another tough year with increasing supply costs and high employee absenteeism impacting profitability as well as some disruption and additional cost from the integration of the Jazz acquisition (completed towards the end of FY22).

Looking forward we expect to experience some further headwinds as marketing spend of customers comes under increasing pressure in a mature and highly competitive industry.

FY23 Activity

After what we believed to be a busy FY22, we have continued to be active this year from an investment perspective, making several changes to the portfolio, adding new assets, increasing stakes in existing investments and exiting investments as well as completing the first ever capital raise for Rangatira.

New Capital

- We completed the issue of 3.2m A shares to raise net proceeds of $45m, with 25 per cent from existing shareholders, 75 per cent from new shareholders and 12 per cent coming from entities associated with staff and directors.
- We were very satisfied with this outcome and while we don't expect to do this regularly, it has both provided us with additional capital to deploy and brought with it new shareholders aligned with Rangatira's approach to long-term investment and provision of permanent capital for private New Zealand business.

New Investments

- NZ Scaffolding Group – purchased a 28 per cent stake in a Wellington-based scaffolding business with 12 branches across New Zealand.
- Movac – committed to Fund VI, complementing our existing commitments to Fund III and V.

Existing Investments

- Partners Life – sold our 5 per cent stake to Dai-ichi Life Holdings. Investing initially in 2012 and in subsequent investment tranches in 2020 and 2022, we received $48m representing a 10.7 per cent pa return over the period.
- Boulcott Hospital – sold a 30 per cent stake to 24 of the specialists operating from the facility. This was concluded at the same price that we invested in 2021.
- NZ Pastures – continued to provide additional capital to purchase land for forestry development.
- Magritek and Fiordland Lobster – made modest increases to our stake by exercising our pre-emptive rights from existing shareholders selling down.
- Fixed Income – received full repayment of a fixed income instrument that we had in place since June 2020.
- Paid down all debt in Rangatira with the receipt of funds from the sale of Domett Properties, Partners Life, and the Capital raise.

After this activity, the total portfolio of private businesses will be at $252m ($257m, FY22) or 67 per cent (89 per cent, FY22) of the portfolio, with the remainder invested in cash and listed equities.

The Portfolio

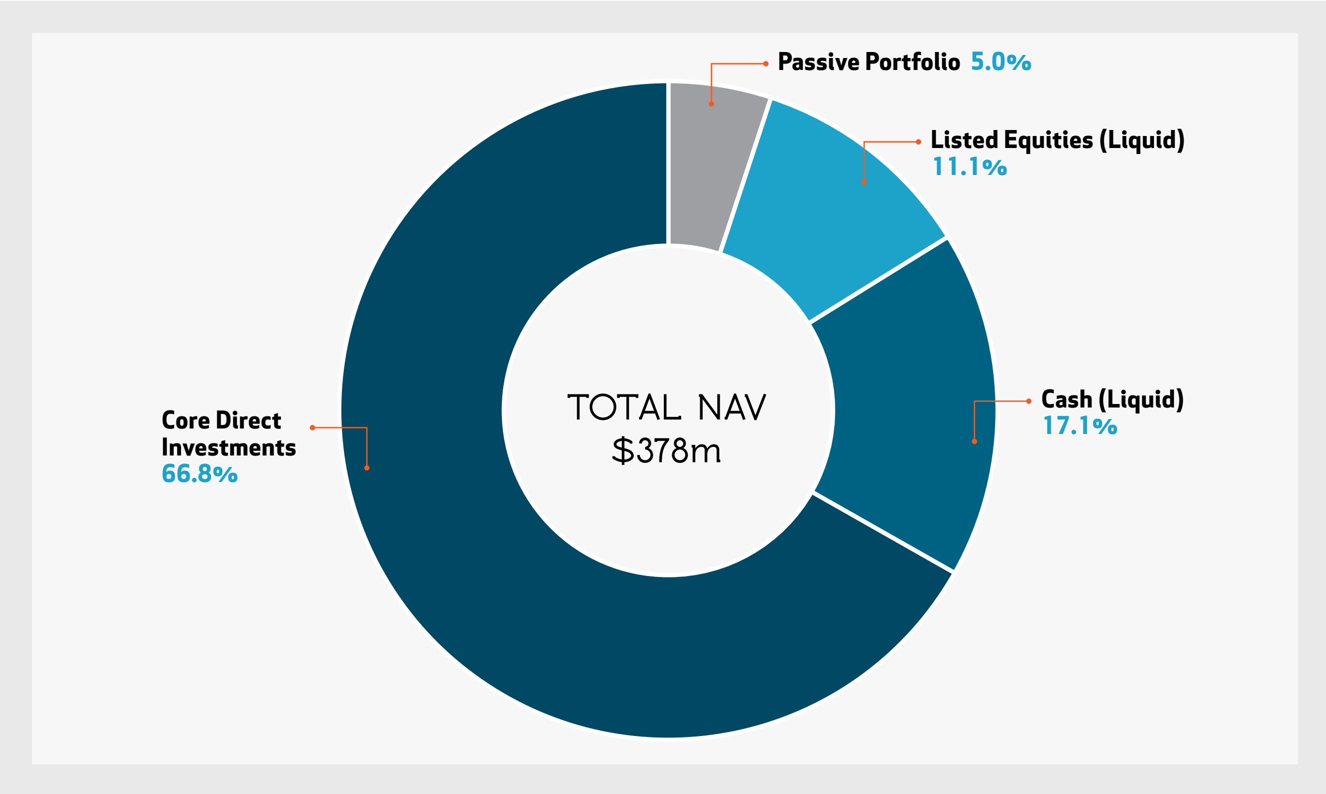
The portfolio is well placed given the economic settings we are heading into, with quite high liquidity to invest in new businesses or provide additional capital to existing investments. We now hold over 30 per cent of our investments in cash or listed stocks. Our cash is in term deposits with trading banks on a mix of maturities between 3-6 months.

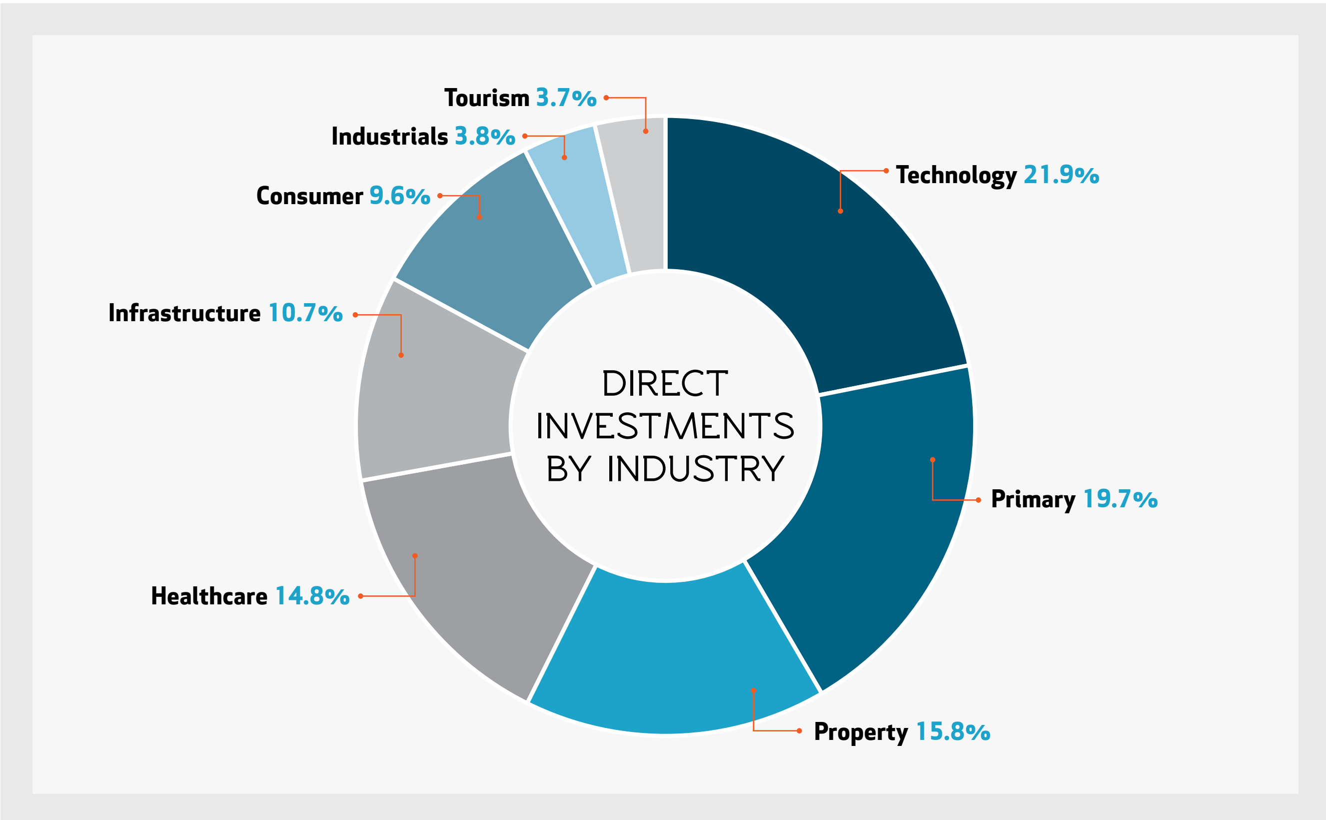
We now have a good spread of businesses across multiple sectors and largely in the sectors that we have a conviction of their prospects in the long term. We will continue to look for further investments in these sectors and others that we see good long-term prospects.

It is likely we may look to reduce the number of businesses we are invested in so that we apply our energy to areas that make the greatest difference to Rangatira's long-term returns. While being diversified across several businesses and industries does reduce the risk of the portfolio, it is not efficient use of our capital and resources to be spread too thin.

We have stakes in thirteen private businesses with our investment ranging from under $5m to over $50m. Over the long-term, we would like the portfolio to be made up of approximately eight businesses with an investment value of between $20m to $60m each. This change will not happen overnight but is the direction that we are heading toward and consistent with the plans shared at the time we raised capital last year. We expect to advance this in the coming year.

We continue to actively look for new investments, looking at over 70 different opportunities each year. Some are quickly





declined but many are investigated thoroughly. We have developed a strong view on our sectors and industry preferences so this assists to narrow our search somewhat. While the pipeline slowed in the second half of 2022, it has started to pick up again since March.

One of the outcomes of raising additional capital has meant that we are prepared to commit to larger investments – now up to $40m. This has increased the universe of opportunities and will have us investing in more developed and larger businesses.

Further, some parties participating in the capital raise expressed an interest in co-investing alongside us on a case-by-case basis. It is envisaged this might occur where an opportunity warrants an investment greater than what Rangatira can sensibly provide, further enabling our ability to consider investments in larger and more developed businesses.

While we have certain sectors and industries that we prefer, we are also focused on businesses that offer not just cash yield but also capital growth. We have several businesses that offer yields like APC, Polynesian Spa, Rainbows End and Bio-Strategy. Looking forward, in addition to meeting cash flow expectations in respect of the Rangatira dividends, we need businesses that can offer both organic and acquisitive growth to ensure we continue to offer the returns that shareholders have become used to. Recent examples in the portfolio have been Hellers, Partners Life, Magritek, BeGroup, NZ Scaffolding, the Kiwifruit developments and, in time, Boulcott Hospital.

Listed shares

As at 31 March 2023	$m	YTD TSR	Benchmark
New Zealand Income	12.7	+5.2%	-1.2%
New Zealand Growth	9.9	-4.0%	-1.2%
New Zealand Trading (inc. Aroa)	3.1	-4.7%	-1.2%
International	16.1	-2.0%	+1.6%
Total	**41.9**	**-0.5%**	**n/a**

Listed shares continue to be an important part of the portfolio as a place to invest capital while we have excess liquidity to deploy into private investments. In the last 12 months, we have been cautious to increase our holdings in listed shares as we were not confident of the direction of the market. Over the last three years, this portfolio has ranged from $38-80m in size and delivered a 13.2 per cent pa return.

NZ Income portfolio performed well with our larger holdings in Meridian, Contact, Mercury and Infratil. Infratil, which is our largest holding in the listed portfolio was particularly strong and continued this past March. We have further increased our holding through the recently completed rights issue. We see this as one of the standout companies on the New Zealand exchange.

The Growth portfolio has not performed so well, due to holdings in Fisher and Paykel Healthcare, EBOS, Scales and Mainfreight. Mainfreight had the greatest impact on the portfolio, as it dropped from record highs at the peak of Covid. Scales were impacted by Cyclone Gabrielle. Regardless, we still have a strong conviction in these companies as longer-term holdings.

Our trading portfolio is small and made up of a significant position in Aroa that we acquired through our investment in the Movac III funds, which was an early investor in Aroa. Where we might normally sell these holdings, the stock has continued to perform well, and we remain confident in the business and the Management.

We remain confident in Intermede, who manage our international portfolio. During this year there has been a significant swing away from the growth stocks as signs of recessions loomed around the world. This has meant that Intermede has not performed well against its benchmark as they favour growth stocks. This trend has reversed post balance date where we have seen better relative performance from Intermede.

Venture Capital

The venture capital (VC) sector has witnessed a notable slow down over the previous year, and we have seen limited valuation growth across the portfolio and fewer investments made. Because our fund commitments have been spread across time, we are not too exposed to any one point in the cycle.

Given our most recent commitments are yet to deploy most of their committed funds, they should in fact be well suited to invest in good value opportunities over the coming years. Since our first venture capital investment in 2011, the portfolio has contributed returns of 18% per annum.

In addition to the attractive returns, from time to time we also gain access to follow-on investment opportunities in portfolio companies that outgrow a fund's investment mandate. VC makes up around 3.5 per cent of Rangatira's portfolio. While our target allocation is 5 per cent, we have been deliberately selective over the last couple of years in adding further managers to the portfolio – the primary consideration is patiently choosing outstanding managers who we can look to build a long-term relationship with.

General

You will see that we are proposing to amend the Constitution. Following last year's AGM discussion, the Board has decided that it is timely to update the Constitution to bring it in line with modern convention. The proposed changes are covered in the Notice of Meeting papers attached to this report. The Board supports these changes and expects them to assist in clarifying some points raised through the capital raise process and help manage Board succession over time.

This year the Board has undertaken a self-assessment and succession planning exercise. Through this, the Board has developed a longer-term succession plan for all board roles and committees. This is likely to see the retirement of Keith Gibson and Richard Wilks over the next two years and we will look to refresh the board progressively while maintaining experience and corporate memory.

Now that we have a fully staffed and stable executive team, we have elected to implement a long-term incentive plan for staff. The scheme allows participating staff to earn a long-term incentive based on delivering total shareholder return hurdles over a three-year period. It serves to align staff with the growth in shareholder value, improve staff retention and make Rangatira a more attractive employer in an industry where incentive schemes like this are now very much the norm.

The scheme will issue Rangatira shares to participating staff should three-year hurdles be met. The first award would be in March 2025 – that is three years from implementation, April 2022.

We propose to pay a final dividend of 46 cents per share (41 cents, FY22).

The total dividend paid during the financial year will be 67 cents or 4.1 per cent of NAV. We expect the portfolio to be generating a 4.3 per cent cash return in FY24 (4.0 per cent, FY23) so remain confident that we can maintain this level of dividend on an increasing asset base.

Unfortunately, the proposed dividend will not carry imputation credits as our imputation credit balance is not sufficient to support imputing dividends. We understand that this will impact those non-charitable shareholders. We do, however, expect this to change over time as underlying earnings increase from portfolio businesses.

Finally, we offer our thanks to our Board, Shareholders, Rangatira staff and the staff of all the businesses we are invested in for their continued support over the last twelve months.

Kind Regards,

David Pilkington

Mark Dossor

IMAGE COURTESY OF FIORDLAND LOBSTER

Board of Directors

DAVID PILKINGTON (Chair)

David has been a Director of Rangatira since 2006 and Chair of the Board since September 2013. He 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 also attended the Harvard Business School Advanced Management Programme. David is a Chartered Fellow of the Institute of Directors and Chairs Douglas Pharmaceuticals. He is a trustee of NZ Community Trust and Chairs the Fonterra Milk Price Panel. Previous Directorships included the Port of Tauranga, Restaurant Brands, Zespri, and Balance Agri-Nutrients. David sits on the Remuneration Committee.

KEITH GIBSON (Deputy Chair)

Keith was reappointed as a Director of Rangatira in 2011, having previously served as a Director between 1982 and 2005. As a member of the Board and the McKenzie family, Keith 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 sits on the Audit and Remuneration Committees.

DAVID GIBSON

David was first appointed to the Rangatira Board in March 2019 and sits on the Board of portfolio company Bio-Strategy. David has 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, Freightways and NZME. David has a Bachelor of Laws (Hons) and a Bachelor of Commerce from the University of Canterbury.

SOPHIE HASLEM

Sophie has been a Director of Rangatira since 2013 and Chairs the Audit Committee. She 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 has a BCom and Post-Graduate Diploma in Management from the University of Melbourne and is a Chartered Member of the NZ Institute of Directors. She is a Director of Kordia (Chair), CentrePort (Deputy Chair), Livestock Improvement Corporation, Payments NZ and Ngai Tahu Holdings Corporation.

SAM KNOWLES

Sam has been a director of Rangatira since 2011 and is on the Remuneration Committee. Over the last decade, Sam has spent time in governance roles supporting young and ambitious growth companies. Examples include Xero in accounting software, PartnersLife in insurance and Synlait in the dairy industry. His current governance portfolio includes a range of established and young services companies including Westpac NZ, Adminis in investment administration, Montoux in Actuarial IT, Leadrly in leadership development and Fire Security Services. Sam's governance approach has included direct investment in every company he has been involved with (other than Westpac). Sam is also a Trustee of WWF-NZ and Te Omanga Hospice Foundation. 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 Is a Chartered Fellow of the NZ Institute of Directors.

CATHY QUINN ONZM

Cathy was appointed to the Rangatira Board in March 2019, and sits on the board of portfolio company, Rainbow's End. Cathy was one of Aotearoa New Zealand's foremost commercial and corporate lawyers and has significant expertise in governance, capital markets, mergers and acquisitions and private equity. In 2016, she was made an Officer of the New Zealand Order of Merit (ONZM) for her services to law and women. Cathy is a Director of Fletcher Building and Fonterra, Chair of Tourism Holdings and Fertility Associates, Pro-Chancellor of the University of Auckland and a consultant at MinterEllisonRuddWatts.

RICHARD WILKS

Richard has been a Director of Rangatira since 2012 and sits on the Audit Committee and on the board of portfolio companies Rainbow's End (Chair) and Mrs Higgins (Chair). Richard comes from a 30-year career in corporate banking and held a number of senior executive roles with ANZ National Bank, Standard Chartered Bank, Citibank Australia, Westpac Trust 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 is a Director of Maxwell Farms.

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, Fiordland Lobster, Magritek and Boulcott Hospital and New Zealand Pastures Limited.

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, 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 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. He is on the board of portfolio companies APC Innovate, Mrs Higgins, NZ Scaffolding Group, Stuart Drummond Transport and Boulcott Hospital and is on the Investment Committee of BeGroup.

DANIELA BOSSARD Investment Director

Daniela is based in Auckland and joined Rangatira Investments in June 2022. Prior to this, Daniela was at Cameron Partners from 2013 providing M&A, capital raisings, capital structure, and strategic advice across a broad range of sectors and client base. Earlier in her career Daniela completed an investment banking internship at UBS New Zealand and was part of the Westpac Institutional Banking Graduate Programme specialising in credit analysis and strategic research. She has a Bachelor of Commerce (Honours) and Bachelor of Arts in Economics and Statistics from the University of Auckland. Daniela is a member of the INFINZ Emerging Leaders' Committee. Daniela is on the board of portfolio company Rainbow's End.

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 Manager

Kurt joined Rangatira in 2018 following four years in PwC's Corporate Finance practice where he gained experience in mergers & acquisitions, project finance, financial modelling and valuations. He has a Bachelor of Commerce and Master of Business from the University of Otago and is a CFA Charterholder. Kurt is on the board of portfolio company APC Innovate and is on the Limited Partner Advisory Committees of two of Rangatira's venture capital fund managers.

TOM BRAND Investment Analyst

Tom is based in Auckland and joined Rangatira in 2022 following three and a half years in PwC's Transaction Services team where he gained experience across financial due diligence, IPO listings and financial modelling. He has a Bachelor of Commerce and Bachelor of Arts majoring in Accounting, Finance, Economics and Statistics from the University of Auckland and has passed Level II of the CFA Program.

New Zealand Scaffolding Group

Introducing

Clinton Geeves, Chief Executive of New Zealand Scaffolding Group

Clinton Geeves, New Zealand Scaffolding Group

Clinton has been the Chief Executive of New Zealand Scaffolding Group (NZSG) since 2018.

NZSG is a privately owned company consisting of six individual operating entities (Wellington Scaffolding Services, WorkZone Scaffolds, Canterbury Scaffolding, Formshore, Geeves Scaffolding, and Bay Scaffolding). The Group is New Zealand's largest scaffolding, formwork, height access and related infrastructure services provider and has the largest reach and capacity in New Zealand, with 11 locations and over 450 employees.

Established in 2012, NZSG has become one of the fastest growing companies across multiple sectors, with a significant presence in the development and maintenance of civil infrastructure, social infrastructure, industrial and commercial property, aged care and residential property segments.

Major projects the company is, or has recently been, involved with include construction of Transmission Gully; the Wellington Town Hall refurbishment; the Waimea Community Dam project in the Lee Valley, the largest dam built in New Zealand for over 20 years; restoration of the historic Victoria Bridge in Cambridge, Waikato; the new 35 million litre Omāroro reservoir in Brooklyn, Wellington; the Samoan High Commission in Kelburn, Wellington; maintenance of Fonterra factories in Canterbury; new Ryman Retirement Villages in Christchurch, Wellington and Auckland; and projects for LT McGuinness in Auckland and Wellington including the 1 Queen St redevelopment in Auckland.

Clinton's brother, Tim Geeves, established Geeves Scaffolding in 2009, together with Andrew Robertshawe. In 2014, seeing the company's potential, Clinton made the decision to leave the public sector, where he was Deputy Director of the Office of Treaty Settlements, and come on board as Commercial Manager. In that role, he was responsible for pricing, recruitment and developing the company's safety focus. At that point, the company had between 30 and 40 staff.

In 2018, Geeves Scaffolding merged forces with NZSG. This created a strong collection of operating entities and gave the new NZSG the scale and the reach to undertake projects for some of the biggest construction and industry players and complete many of New Zealand's largest construction projects. Clinton took the role of CEO of NZSG, working alongside one of NZSG's founders Chris Warren as Executive Director. Tim Geeves is now the company's North Island Regional Manager and Andy Robertshawe is NZSG's Business Development Manager.

After a sustained period of growth, Clinton is still optimistic for the next 12 months, despite the economic outlook. Growth expectations may be more modest compared to prior years and it is not uncommon for periods of strong growth to be followed by a period of consolidation.

Clinton says, "Finding the right staff is always a challenge. We are working hard to attract and train good people.

"We have more apprentices than any other company in the sector with nearly 100 young people undertaking their apprenticeship with the organisation"

"We have also recruited 50 staff from the Philippines in the middle of last to supplement our local workforce.

I have to say that speeding up immigration processes would help address the sector's staffing situation."

However, despite potential economic headwinds, Clinton says the Group has diverse revenue across sectors and geography. Almost 60% of the Group's work is on existing buildings, facilities and structures, which is likely to increase if new construction slows for a period. The Group's revenues are also spread across almost every region in New Zealand, with over 1,000 active clients covering residential, commercial, industrial and civil/social infrastructure projects. This diversity helps provide NZSG with resilience that is not always present in the construction sector and is instrumental in the decision taken by Rangatira to invest in the Group.

Rangatira invested in NZSG in late 2022 and currently has a 28 per cent economic interest in the Group.

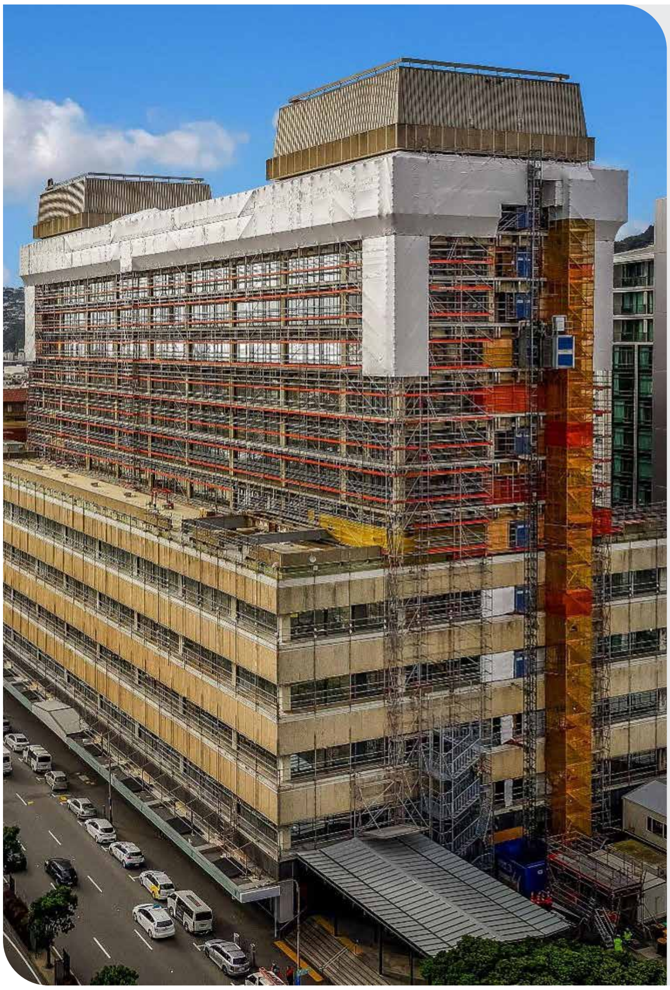
Clinton Geeves says NZSG has eleven key shareholders, with Rangatira being the largest, having invested along with fellow institutional investor Evergreen Partners. The balance is held by the founders of the two entities that merged to form NZSG: the Geeves, Robertshawe and Warren families, and key staff who hold almost 3 per cent through a staff shareholding scheme.

"I think what attracted Rangatira to NZSG was our revenue diversity, solid track record of growth and the key people. They liked the culture, the passion and the strong sense of family.

"For NZSG, having Rangatira as a shareholder supports our future growth trajectory. We also get to have Rangatira's Investment Partner, Matt Olde on our Board of Directors. Matt is a well-connected and experienced business and investment manager and provides objective and well-considered advice."

Clinton is a father to two youngsters, and he and his partner Hui, who he met working at the Office of Treaty Settlements, live in Ngaio, Wellington.

Outside work, Clinton is chair of the Wellington Collegians Junior Cricket Club, where he coaches a junior team. He has also coached a junior rugby team for Wellington's Wests rugby club and served a term on the Board of Trustees for Ngaio Primary School.



New Zealand Scaffolding Group

New Zealand Scaffolding Group (NZSG) is a leading provider of height access and temporary structures in New Zealand. The company comprises of six individual operating entities, with 12 branches across New Zealand and over 400 employees.

Established in 2012, the company has become one of the fastest growing companies across multiple sectors, with a significant presence in the development and maintenance of civil infrastructure, social infrastructure, industrial and commercial property, aged care, and residential property segments.

Rangatira invested alongside the existing founders and investors as NZSG embarks on its next phase, supporting the existing team as it continues its focus on a safe work environment, quality customer service, and financial performance.

Investment Date	2022
Ownership Interest	28%

Southern Cross Horticulture

Introducing

Andrew Dunstan, Executive Director of Southern Cross Horticulture

Andrew Dunstan, Southern Cross Horticulture

Andrew was Chief Executive of Southern Cross Horticulture (SCH) from late 2016 until April 2023, when he became an Executive Director of the family-owned business.

SCH, a family-owned business, was founded by Andrew's father Chris Dunstan, who discovered the potential of kiwifruit over 40 years ago. Today, Andrew, his brother and his father each own a third of the business. The Dunstan family's passion for kiwifruit and continuous improvement has helped make SCH become one of this country's most successful orchard developers and producers.

SCH provides an end-to-end offering in orchard development. For kiwifruit growers and landowners, the company offers a comprehensive suite of services covering all aspects of orchard development, from site selection and preparation to planting and management; all the way to harvest and export.

In addition to their orchard development services, SCH offers investment opportunities for those interested in owning part of a syndicated orchard alongside the company. This allows investors to participate in the profitable kiwifruit industry in New Zealand, which has a strong global demand for its high-quality produce.

SCH typically converts dairy farms into productive kiwifruit orchards and currently manages 33 such orchards across the country, with approximately 550 hectares of kiwifruit under management. The Dunstan family and SCH are highly regarded in the kiwifruit sector and invest their capital alongside external investors in each development.

Rangatira has an ownership interest in two orchards managed by SCH. In 2019, Rangatira invested in the 28 hectare Oaklands development near Waiuku, southwest of Auckland. Oaklands was planted with SunGold in 2020 and has since produced two crops. The following year, Rangatira invested in an additional SunGold orchard development, Eastern Rise, an 88 hectare orchard near Whakatāne. Planted in 2021 and 2022, Eastern Rise produced its first crop this year.

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

Rangatira has a 29 per cent ownership interest in Oaklands and 15 per cent in Eastern Rise. In both these orchard developments, Rangatira has invested alongside SCH.

Andrew's career path has experienced challenges and achievements. After graduating from Massey University with a first-class honours degree, majoring in Economics and Finance, Andrew planned to further his studies overseas.

However, that didn't eventuate because he got a call to come home and help the family business, which was grappling with PSA. PSA is a virulent bacterial disease that in 2010 began infecting hundreds of New Zealand kiwifruit orchards and threatening a sizeable export industry. Those were exceptionally tough times, but working together, the family overcame adversity and began converting dairy farms to a new variety of kiwifruit known as Gold3, which is not only resistant to PSA, but was an exceptional fruit. Gold3 is now marketed by Zespri as the SunGold variety.

Today, Southern Cross Horticulture is one of New Zealand's most successful orchard developers and producers of SunGold & RubyRed.

Andrew attributes SCH's competitive advantage to its people and values-driven approach. He believes that attracting individuals who strive to be the best and align with SCH's values has been instrumental in the company's success. With their experience in developing 6 to 10 orchards annually, SCH has built up a deep-set of knowledge and expertise which drives value for their customers and partners. He also emphasizes the importance of having a strong set of values and acting in line with those values, even in challenging times.

Rangatira was an early investor in SCH partnerships and is a significant partner for SCH. Andrew speaks highly of Rangatira, describing them as solid, pragmatic, and long-term investors who align with SCH's values.

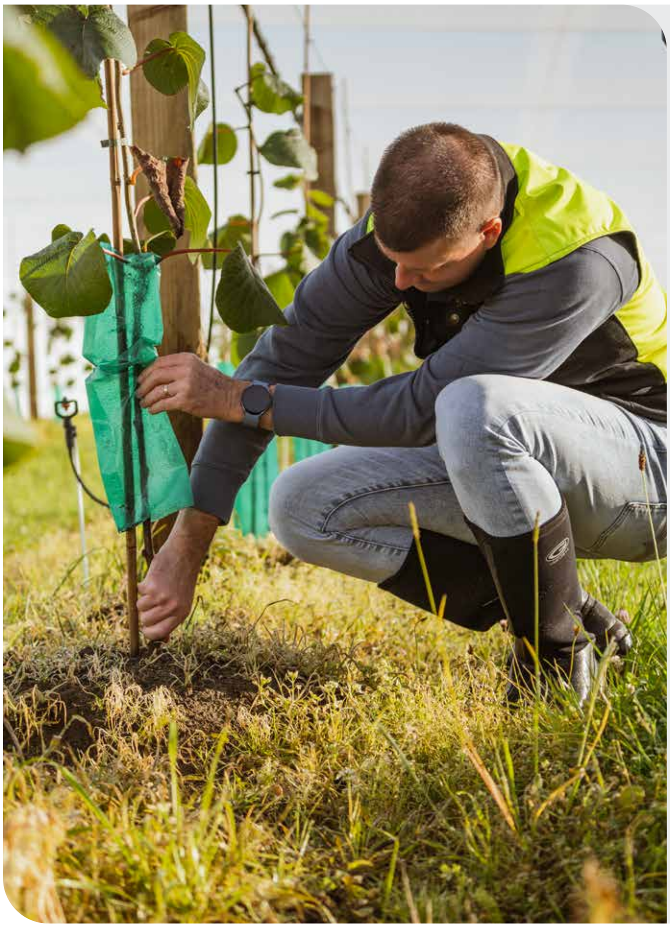
"Values underpin everything we do. At SCH, we believe that when we do the right thing and we do things right, we build the foundation for a fruitful partnership for everyone.

"Rangatira are like us, they think and invest long-term, which is very unusual for a private equity firm. Looking ahead, we would like to do more with Rangatira."

In April, Andrew stepped down from the chief executive role in favour of a strong internal candidate who wanted the opportunity, Josh Mounter. SCH favours internal succession, providing opportunities for team members should they want additional responsibilities. Andrew will continue to work in the business and, as Executive Director, will support the investment division and other projects across the business.

SCH is actively involved in the community, primarily helping disadvantaged children and young people who need support. Some of the organisations they currently support include KidsCan, House on the Hill, ImpacTauranga, and Akaoboro School in Kiribati.

Andrew is married to Tara, and they have four children, one boy and three girls. When time permits, Andrew enjoys going fishing, running (he completed a 100km ultra-marathon last year), mountain biking and is an avid reader.



Southern Cross Horticulture

SCH are highly regarded in the kiwifruit sector and invest their own capital alongside external investors in each development. In 2019, Rangatira invested in SCH's 36-hectare Oaklands development near Waiuku, with the first crop of Zespri SunGold harvested in May 2022. In 2020, Rangatira invested in the 'Eastern Rise' development, a 114-hectare orchard near Whakatane, and the first crop of Zespri SunGold was harvested in May 2023.

Both partnerships have shares in Zespri - the grower-owned marketer and exporter of New Zealand kiwifruit that develop and own the intellectual property of kiwifruit varieties.

Investment Date	2019
Ownership Interest	29% Oaklands 15% Eastern Rise

APC Innovate

Auckland Packaging (APC) designs and manufactures merchandising displays, in-store promotional communications and cardboard packaging. The 6,000sqm production facility in East Tamaki, enables a full range of in-house services from design to cutting, printing, assembly, and packing.

Under Rangatira, APC has secured market share through a focused strategy and investment, including the recent example of the acquisition of Jazz Print, a leader in the production of collateral for the real estate and automotive industries.

Rangatira's objectives for the business are for it to continue to provide consistent cash returns, with the potential for more industry consolidation.

Investment Date	1999
Ownership Interest	100%

BeGroup

BeGroup offers affordable and modern retirement villages. These residential villages offer a full range of options, strong ties to the local community and an emphasis on equal and meaningful relationships, where residents decide what retirement living means for them.

Their investment strategy is focused on existing, operating retirement villages, typically with incremental development potential.

BeGroup acquired Wairarapa Village in Masterton in November 2021 and the MiLife portfolio of villages (Levin, New Plymouth, and Palmerston North) in February 2022.

Rangatira sees this sector as attractive, offering strong cash returns and capital growth over the long-term.

Investment Date	2021
Ownership Interest	25%

Bio-Strategy

Bio-Strategy is a specialist distributor of laboratory instruments and automation technology products for the clinical diagnostic, life science and applied sectors. Their highly trained staff provide a range of sales and support for customers in laboratories, academia, hospitals, and industry.

Bio-Strategy represents over 150 international agencies with 120 staff across 7 offices in New Zealand and Australia.

Medical devices continue to enjoy consistent demand and the business continues to actively seek additional growth opportunities, both additional distribution agreements as well as acquisitions.

Investment Date	2015
Ownership Interest	70%

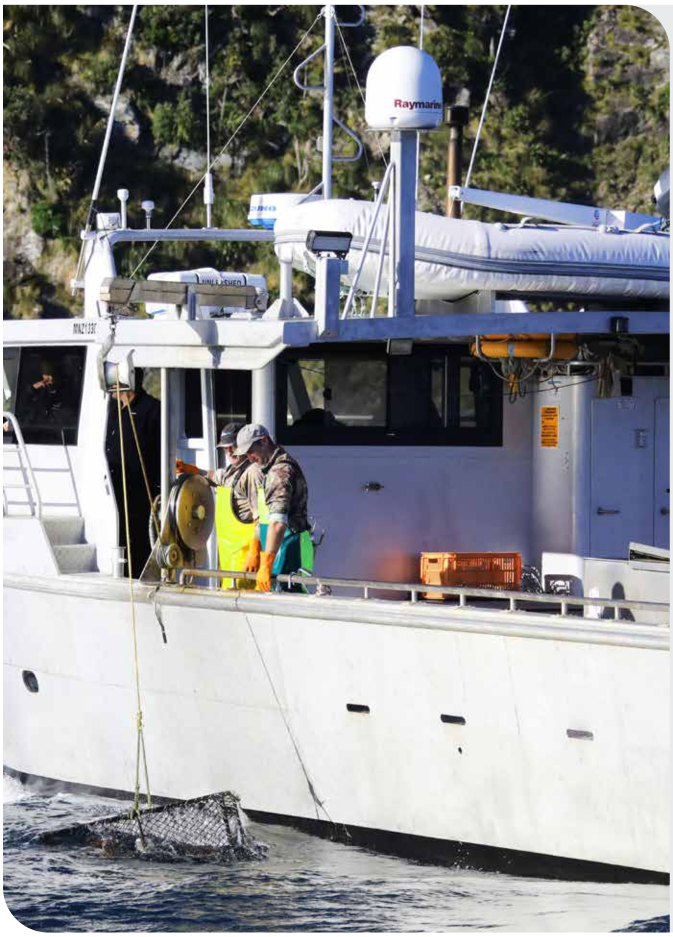
Boulcott Hospital

Boulcott Hospital is a private surgical hospital based in Lower Hutt, with 30+ years' experience providing quality surgical and medical services.

Boulcott has 3 operating theatres, a 30-bed ward and day stay unit, a specialist centre and Radiology services provided by Pacific Radiology. Over 40 specialists work from the hospital with disciplines including orthopaedics, gynaecology, plastics, endoscopy, and general surgery. Several of the specialists are shareholders in the hospital, investing alongside Rangatira in 2022.

A significant expansion is planned for 2023/24 which will modernise and add capacity to the hospital, positioning Boulcott as a quality private hospital servicing the greater Wellington Region.

Investment Date	2022
Ownership Interest	69%



Fiordland Lobster Company

For over 30 years the Fiordland Lobster Company (FLC) has been dedicated to the sustainable fishing and live export of Southern Rock Lobster (NZ crayfish) now processing 40% of the New Zealand lobster catch. Based in Te Anau, FLC is vertically integrated as an owner of quota as well as having fishing and processing operations.

In 2010 FLC expanded into Australia operating as the South Australian Lobster Company, processing 20% of the Australian lobster catch.

Exporting 1,400 tonnes of crayfish annually, it is one of the largest operators in the region. Demand remains strong in China and the business is actively developing new markets.

Investment Date	2018
Ownership Interest	8%

Magritek

Founded by Sir Paul Callaghan, Magritek makes benchtop nuclear magnetic resonance (NMR) solutions, measuring the chemical properties of substances for research and industry.

As a world leader in the field, Magritek brought the first desk top NMR spectrometer to the market in 2012. With production now over 500 units p.a. Magritek hold a 50% market share. Operations include sales/manufacturing offices in Germany, sales offices in the US and software and sales in New Zealand.

Rangatira is invested alongside management, employees, Ampersand Capital (US healthcare tech investor) and other shareholders. In 2023, Ampersand increased their stake to 20%.

Investment Date	2013
Ownership Interest	27%

Mrs Higgins

Mrs Higgins produces a range of high-quality oven-fresh bakery products including soft chewy cookies, ready to bake pre-portioned cookie dough, café slices & slabs, chocolate fudge brownie, Bliss bites and Christmas treats.

The introduction of Rangatira's capital funded the manufacturing plant that opened in February 2018. The large plant, located in West Auckland, enables Mrs Higgins to meet demand for existing products within New Zealand, diversify its product range and expand into the Australian markets.

Investment Date	2017
Ownership Interest	100%

New Zealand Pastures

New Zealand Pastures is a farming and forestry operation with 28,500 ha of land across 13 properties in Southland and Otago regions.

There are three sheep and beef properties running over 30,000 stock units across 23,500 hectares.

Over the last three years, Rangatira have purchased a further 5,000 hectares across 10 properties for the purpose of forestry development. These properties have been planted in the winters of 2021, 2022 and 2023.

Rangatira believes in this sector over the long-term and now has scale and a diversified exposure across multiple properties.

Investment Date	2008
Ownership Interest	20%

Polynesian Spa

Polynesian Spa provides a unique geothermal spa experience on the shores of Lake Rotorua with up to 300,000 visitors each year.

Rangatira was a principal investor in Polynesian Spa at its 1972 inception. Our continued support over the years has enabled them to grow into one of Rotorua's premier attractions, adding numerous new facilities such as retreats, reflexology walks and plunge pools.

The business has recovered well following the re-entry of tourists to New Zealand and is quickly returning to profit levels pre-Covid.

Investment Date	1972
Ownership Interest	51%

Rainbow's End

Rainbow's End typically entertains over 400,000 guests a year at its theme park in Manukau, Auckland.

Rangatira's investment has allowed for a rejuvenation of the park, including a $2.3m investment in the new Stratosfear ride, an expansion of its Kidz Kingdom, refresh of the iconic log flume ride and recent addition of new attractions including an immersive theatre experience, Spectra, and City Strike Laser Tag.

Post pandemic, Rainbow's End financial performance has traded strongly and Rangatira expects a return to solid cash yields from this investment.

Investment Date	2013
Ownership Interest	100%

Stuart Drummond Transport

Stuart Drummond Transport (SDT) is one of the leading providers of log transport in the Nelson | Marlborough region, servicing a wide range of customers including some of New Zealand's best known forestry management companies. With its origins dating back to 1984 and a single truck, SDT now has a modern fleet of over 50 trucks and trailers.

Backed by the investor group, SDT continues the legacy of its founder through co-owner and Managing Director, Brodie Drummond, alongside a loyal and long serving team that prides itself on its culture and focus on a safe work environment and stability of employment.

Investment Date	2022
Ownership Interest	37%

PUBLIC INVESTMENTS

New Zealand	2023 NZ$m	2022 NZ$m
Infratil	5.6	7.9
Mercury Energy	3.1	2.9
EBOS Group	2.9	2.5
Mainfreight	2.7	3.2
Fisher & Paykel Healthcare	2.5	2.3
Contact Energy	1.6	1.7
Meridian	1.4	1.3
Move Logistics	0.8	1.0
Vital Healthcare Property	0.6	0.9
Scales Corporation	0.6	1.0
ikeGPS	0.6	0.5
Heartland Group	0.4	-
Vulcan Steel	0.4	0.4
Serko	0.3	0.5
Pacific Edge	0.2	0.5
Syft Technologies	0.1	0.3
Total	23.8	27.0

International	2023 NZ$m	2022 NZ$m
Intermede	16.1	26.6
Aroa Biosurgery	1.9	1.4
Total	18.1	28.0
Total Public Investments	**41.9**	**55.0**

MANAGED FUNDS

AirTree – Core Fund 2021, Opportunity Fund 2021

AirTree is a venture capital investor who has A$1.3bn under management with over 80 active investments. AirTree invests in startups from pre-revenue right through to later growth stages, with investment sizes ranging between $100,000 and $50 million.

Rangatira is invested in both the 2021 Core and Opportunity Funds. The Core Fund invests in the best pre-seed, seed and series A technology companies with strong ties to Australia and New Zealand. The Opportunity Fund targets a smaller number of growth stage (Series B+) opportunities.

Investment Date: 2021

Icon Ventures – Fund V, Fund VI, Fund VII

Icon Ventures is a deeply rooted, Silicon Valley based venture capital investor with USD$1.3b under management. It invests primarily in high quality Series B & 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 21 companies that include Opcity (acquired by News Corp in 2018) and Streamlabs (acquired by Logitech in 2019). Fund VII had its first close in 2021 and has invested in nine companies.

Investment Date: 2014

Movac – Fund 3, Fund 3 SideCar, Fund 5 Growth 6

Movac is a leading venture capital manager in New Zealand. Fund 3 invested in 6 companies including PowerbyProxi (acquired by Apple in 2017) and Aroa Bosurgery (listed on the ASX in 2020). In 2020, Rangatira invested in Movac's Fund 5, and in 2022, invested in Movac's Growth Fund 6.

Investment Date: 2011

Pacific Channel – Fund II

Pacific Channel is a deep tech venture capital investor focused on scientific and engineering breakthroughs across health, food and environmental themes. They invest in companies at their earliest stages and actively support them to accelerate growth.

Investment Date: 2020

Principal Charitable Shareholder

J R MCKENZIE TRUST

The J R McKenzie Trust celebrated a number of important milestones over the last year. At our Evening of celebration in July 2022, we had the pleasure of unveiling 'Giving for Good: The history of the J R McKenzie Trust', a record of the giving legacy of the McKenzie family over 80 years. Jenny Gill, who has a long and distinguished history with both the Trust and the philanthropy sector in general, provided some insights into what can be achieved when innovative approaches are adopted in the pursuit of long-term solutions. Sir Roy McKenzie's daughter, Robyn Gibson, spoke of the importance of private philanthropy and shared some wonderful family anecdotes.

This book beautifully reflects the values and vision of Sir Roy and Sir John McKenzie, and the mahi of every person who has been involved in the Trust and supported its kaupapa. The way in which Dr Stephen Clarke has presented the journey of the Trust against the backdrop of the ever-evolving social environment within which it operates, is very meaningful. We are deeply grateful for the many months of work that Stephen, Imogen Haliday, and Lynn Peck invested in this project. You can read the **online flipbook** via our website or if you'd like to receive a physical copy, please email info@jrmckenzie.org.nz.

The over-arching priority of our **Te Anga Rautaki,** the J R McKenzie Trust 2021-2030 strategy, is working and investing in ways that advance equity through transformational change and system-focused solutions. Advancing equity means addressing the root causes of inequity and exclusion. It means shifting the conditions that hold inequities in place and prevent people from fulfilling their potential.

One of the organisations that the Trust has supported in pursuing this goal is **Zeal Education Trust** (Zeal). This nationwide youth organisation believes every young New Zealander deserves to belong, be accepted on their terms, and have an equitable chance to thrive. It provides safe, inclusive, local and online spaces where young people can explore and develop their strengths through various programmes and workshops. One of the many ways Zeal supports young people is by helping them to overcome the digital divide through its Tech Café.

In this innovative setting, they learn to refurbish donated laptops or desktop PCs and also get to keep the device as part of the tech club programme. Zeal partners with schools in West Auckland where as many as 33% of ākonga (learners) do not have access to a device at home to learn, do homework, and thrive on their own terms. These numbers increase to 36% and 49% without devices for rangatahi Māori and Pasifika young people respectively. During COVID-19 Lockdowns, 59% of those with devices were sharing them with siblings.

Besides learning how to bring obsolete hardware back to life, taking part in this programme teaches young people the skills to thrive in the digital world, and how to learn and earn online, make friends, and overcome challenges. Importantly, Tech Café is led by young people with Zeal youth workers supporting them to use their digital superpowers to achieve their goals, whether that's building a gaming suite for their community or starting their own businesses.

"One of the biggest wins so far have been the number of schools keen to get on board with our mid-year refurbish-a-thon. This is a chance for students who might not be able to commit to our in-school tech clubs to learn laptop refurbishing in a smaller timeframe, and still get to take home their own device they worked on, which has been donated by one of Zeal's generous device donors," says Chris Winder, Digital Director – Zeal.

Besides having a strong youth development approach embedded into its delivery, Tech Café reduces tonnes of E-waste by diverting devices and parts from landfill. Donated devices and parts are sourced locally, thus reducing the transportation carbon footprint. Any devices that can't be upcycled are salvaged and used for parts, and any parts not used are recycled.

Zeal has some ambitious plans for the future where Tech Café is concerned.

"We've got some big prep work still to do so we're set up to win at our mid-year refurbishment expo. We've also got some exciting activations brewing with our project partner, Hau Tutū trust, so that our expo participants get some fun exposure to the tech world in between refurbishing their devices.

This is a year of building but also making bolder moves towards our digital equity goals. Last year, we worked alongside over 100 rangatahi, who all took home devices they'd helped refurbish. This year, we want to more than double that through the addition of Zeal Tech Café," says Chris.

For more information about the J R McKenzie Trust, its mahi, and its ngā kaikōkiri/grantees, visit **www.jrmckenzie.org.nz**, or read its **2021/22 annual report**.

J R McKenzie Trust

J R McKenzie Youth Education Fund

The JR McKenzie Youth Education Fund is an organisation that has been dedicated to supporting and empowering young people in New Zealand for over 85 years. The fund was established in 1938 by Sir John McKenzie, who believed in the importance of education and equal opportunity for all.

The JR McKenzie Youth Education Fund has a mission to help young people who face significant barriers to education. This includes young people from low-income families and those who have experienced hardship or trauma. The fund provides grants to improve education outcomes for these young people.

The focus of the Trust has been to assist children who are starting school, to ensure they have the essentials such as shoes, uniforms and basic equipment. This has been the strategy in order to give these students an experience like their peers when starting at a school and to be able to assist the greatest number of young students.

Funding for the Trust comes from the dividends distributed by Rangatira Investments Limited and an annual grant from the J.R. McKenzie Trust. In the last year we distributed $452,000. The income is distributed to Rotary Clubs throughout the country, who receive applications for funding. They assess and prioritise the applications and then distribute the funds to the applicants. The applications come from individuals, through community organisations, school principals, officials and social workers. The Trustees of the Fund are grateful to the Rotary Clubs for undertaking this role and helping keep the expenses for the Fund to an absolute minimum.

Over the years, the JR McKenzie Youth Education Fund has supported countless young people to achieve their goals and reach their potential. The fund's impact can be seen in the many success stories of young people who have gone on to achieve great things in education and beyond.

The ability to provide assistance over the last 85 years is attributable to the foresight of our founder and the work of the Trustees and Rotarians who have been involved. It is a privilege to continue this legacy.

To find out more about us please visit our website **www.youtheducationfund.org.nz**

Te Omanga Hospice
Te Whare Manaaki Tangata

One in three people who die in the Hutt Valley are supported by **Te Omanga Hospice**

Te Omanga Hospice provides palliative care through a multidisciplinary team of specialist doctors, nurses, therapists, and specially trained volunteers. We also support the delivery of palliative care in Aged Residential Care Facilities, the Hutt Hospital and in conjunction with General Practitioners.

Our Community Palliative Care team make it possible for patients with specialist palliative care needs to be cared for at home where they feel most comfortable. Our Inpatient Unit (IPU) service is available to patients under the hospice programme who require a level of assessment and symptom control that cannot be managed at home. Many of our patients and their whānau receive emotional, spiritual, cultural, social, and psychological support through our Family Support Team. This includes, but is not limited to Art Therapy, Music Therapy and Bereavement Support.

Te Omanga Hospice Music Therapist Keryn during a Music Therapy session with a patient.

Since our establishment in 1979, many thousands of people living with a terminal or life-limiting illness in the Hutt Valley, along with their whānau, have been touched by our compassionate care and support.

Every year, we need to raise $4 million, which is 45% of our annual funding needs, from our local community, with the balance being provided through our contracts with Te Whatu Ora Health NZ.

Families often enjoy sitting outside in the Hospice gardens having dinner and spending time together.

Te Omanga Hospice could not survive without the kindness and understanding of individuals and organisations in the community we serve. The support we receive makes such a difference in the lives of those we care for, and ensures our service remains free of charge to all those who need it.

IN THE YEAR ENDING JUNE 2022:

Te Omanga Hospice cared for **561 patients** and their families

27% OF PEOPLE we cared for had a non-cancer diagnosis

There were **146 admissions** to our INPATIENT UNIT

Our NURSES made **5,157 visits** to patients in the community

141 patients and their families received ART AND MUSIC THERAPY

Our YOUNGEST patient was **12 years old** and our OLDEST patient was **98 years old**

It is through the generosity of our community that we exist. There are many ways you can support us too.
Find out more at **www.teomanga.org.nz/support-us/**

Rangatira Group at a Glance

Strength in Diversity

Our people across the Rangatira Portfolio Group

SENIOR LEADERSHIP

MALE	FEMALE	NON BINARY/ PREFER NOT TO SAY
31	14	0
69%	31%	0%

NATIONALITIES

41

MANAGEMENT

MALE	FEMALE	NON BINARY/ PREFER NOT TO SAY
47	33	0
59%	41%	0%

AGE DISTRIBUTION

144	10%	UNDER 20
332	24%	20-29
318	23%	30-39
251	18%	40-49
235	17%	50-59
114	8%	60+

REMAINDER OF WORKFORCE

MALE	FEMALE	NON BINARY/ PREFER NOT TO SAY
722	547	9
56%	43%	1%

FINANCIAL STATEMENTS

IMAGE COURTESY OF OUTWARD BOUND

Rangatira Group

Consolidated Income Statement

For the year ended 31 March 2023

	Note	2023 $000	Restated* 2022 $000
Revenue	2	**170,037**	124,622
Other income	3	**17,212**	325
Share of associates' profit or (loss)	25	**6,733**	7,678
Total income		**193,982**	132,625
Depreciation and amortisation	9-11	**(9,109)**	(7,525)
Employee benefit expense	4	**(50,472)**	(31,887)
Finance costs		**(5,740)**	(2,366)
Impairment reversal / (expense)		**-**	(823)
Raw materials and consumables used		**(76,949)**	(66,506)
Consulting expense		**(588)**	(894)
Operating expenses	4	**(21,672)**	(12,376)
Profit before tax		**29,452**	10,248
Tax benefit/(expense)	5	**(3,239)**	(73)
Profit after tax		**26,213**	10,175
Profit attributable to:			
Equity holders of the parent (P&L)		**20,395**	9,272
Non-controlling interests (P&L)		**5,818**	903
		26,213	10,175

*comparative figures have been restated after the finalisation of the Group's valuations for its acquisitions from 2022. For more detail, refer to Note 27.

Basic and diluted earnings per share (cents)	18	105.60	52.40

- The notes on pages 44 to 79 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 2023

	2023 $000	Restated* 2022 $000
Other comprehensive income/(losses)		
Investments at fair value through other comprehensive income		
- valuation gain/(loss) taken to reserves	**3,862**	21,974
- transferred to retained earnings	**-**	-
Translation of foreign operations	**(128)**	(24)
Associate companies		-
- share of reserves of associates (FX)	**112**	(197)
- share of reserves of associates (property)	**5,462**	2,928
Other comprehensive income/(losses) recognised directly in equity	**9,308**	24,681
Profit after tax	**26,213**	10,175
Total comprehensive (loss)/income for the year after tax	**35,521**	34,856
Total comprehensive income attributable to:		
Equity holders of the parent (OCI)	**29,741**	33,961
Non-controlling interests (OCI)	**5,780**	895
	35,521	34,856

*comparative figures have been restated after the finalisation of the Group's valuations for its acquisitions from 2022. For more detail, refer to Note 27.

- The notes on pages 44 to 79 form part of, and should be read in conjunction with, the above statements.

Rangatira Group

Consolidated Statement of Financial Position

As at 31 March 2023

	Note	2023 $000	Restated* 2022 $000
Current assets			
Cash and cash equivalents		**31,509**	18,564
Trade receivables	6	**19,303**	15,524
Inventories	7	**18,371**	19,420
Tax receivable		**828**	109
Assets held for sale	26	-	25,267
Other current financial assets	8	**52,225**	7,919
Other current assets		**3,174**	1,553
Total current assets		125,410	88,356
Non-current assets			
Property, plant and equipment	9	**90,100**	86,007
Investment property	10	**1,835**	1,867
Investments in associate companies	25	**83,849**	53,915
Goodwill	12	**27,711**	27,438
Intangible assets	11	**15,064**	14,865
Deferred tax asset	5	**4,353**	3,430
Other non-current financial assets	8	**96,944**	151,017
Other non-current assets		**17**	227
Total non-current assets		319,873	338,766
Total assets		445,283	427,122

*comparative figures have been restated after the finalisation of the Group's valuations for its acquisitions from 2022. For more detail, refer to Note 27.

- The notes on pages 44 to 79 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 2023

	Note	2023 $000	Restated* 2022 $000
Current liabilities			
Trade and other payables	13	**23,324**	21,243
Borrowings	14	**13,810**	30,604
Lease liabilities	16	**5,610**	7,658
Liabilities associated with assets held for sale	26	**-**	3,295
Other current financial liabilities	14	**-**	342
Tax payable		**3,118**	1,657
Provisions	15	**5,297**	5,210
Deferred consideration	27	**1,298**	-
Other current liabilities		**310**	-
Total current liabilities		**52,767**	70,009
Non-current liabilities			
Borrowings	14	**5,735**	44,657
Lease liabilities	16	**59,995**	54,915
Provisions	15	**808**	738
Deferred tax liability	5	**3,999**	3,995
Other non-current liabilities		**85**	-
Total non-current liabilities		**70,622**	104,305
Total liabilities		**123,389**	174,314
Net assets		**321,894**	252,808
Equity			
Share capital	17	**62,758**	17,667
Retained earnings		**223,603**	181,893
Fair value revaluation reserve		**23,456**	48,035
Property at fair value reserve		**8,390**	2,928
Foreign currency translation reserve		**(222)**	(244)
Share-based payments reserve	28	**98**	-
Equity holders of the Parent		**318,083**	250,279
Attributable to non-controlling interests		**3,811**	2,529
Total equity		**321,894**	252,808

Approved for issue on behalf of the Board on the 23 June 2023.

DA Pilkington **S Haslem**

- The notes on pages 44 to 79 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 2023

Restated* 2022	Note	Share capital $000	Retained earnings $000	Investments at fair value $000	Property revaluation reserve $000	Foreign currency translation $000	Share based payments reserve $000	Equity holders of the Parent $000	Non-controlling interests $000	Total $000
Balance at the beginning of the year		17,667	176,862	32,447	-	(31)	-	226,945	1,829	228,774
Total comprehensive income		-	9,272	21,974	2,928	(213)	-	33,961	895	34,856
Dividends paid	19	-	(10,627)	-	-	-	-	(10,627)	(195)	(10,822)
Disposal of investments at FVOCI		-	6,386	(6,386)	-	-	-	-		
Balance at end of year		**17,667**	**181,893**	**48,035**	**2,928**	**(244)**	**-**	**250,279**	**2,529**	**252,808**

*comparative figures have been restated after the finalisation of the Group's valuations for its acquisitions from 2022. For more detail, refer to Note 27.

2023	Note	Share capital $000	Retained earnings $000	Investments at fair value $000	Property revaluation reserve $000	Foreign currency translation $000	Share based payments reserve $000	Equity holders of the Parent $000	Non-controlling interests $000	Total $000
Balance at the beginning of the year		17,667	181,893	48,035	2,928	(244)	-	250,279	2,529	252,808
Total comprehensive income		-	20,395	3,862	5,462	22	-	29,741	5,780	35,521
Dividends paid	19	-	(12,708)	-	-	-	-	(12,708)	(6,423)	(19,131)
Share capital issued		45,104	-	-	-	-	-	45,104	-	45,104
Acquisition of Treasury stock		(13)	-	-	-	-	-	(13)	-	(13)
Creation of NCI in Boulcott Holdco		-	5,582	-	-	-	-	5,582	1,925	7,507
Share-based payments		-	-	-	-	-	98	98	-	98
Disposal of investments at FVOCI		-	28,441	(28,441)	-	-	-	-	-	-
Balance at end of year		**62,758**	**223,603**	**23,456**	**8,390**	**(222)**	**98**	**318,083**	**3,811**	**321,894**

- The notes on pages 44 to 79 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 2023

	Note	2023 $000	2022 $000
Cash flows from operating activities			
Cash was provided from:			
Receipts from customers		**166,205**	124,234
Dividends received		**6,874**	1,983
Interest received		**1,307**	883
		174,386	127,100
Cash was applied to:			
Payments to suppliers and employees		**(151,108)**	(114,770)
Tax paid		**(3,152)**	(1,970)
Interest paid and other costs of finance		**(1,663)**	(1,495)
		(155,923)	(118,235)
Net cash flows from operating activities		**18,463**	8,865
Cash flows from investing activities			
Cash was provided from			
Sale of investment property		**40,500**	-
Sale of investments		**60,813**	29,913
Sale of property, plant and equipment		**44**	(22)
		101,357	29,891
Cash was applied to			
Purchase of property, plant and equipment		**(2,957)**	(3,534)
Investment in term deposits		**(46,206)**	-
Purchase of business (net of cash)		**550**	(33,104)
Purchase of investments		**(35,142)**	(49,632)
		(83,755)	(86,270)
Net cash flows from investing activities		**17,602**	(56,379)
Cash flows from financing activities			
Cash was provided from			
Proceeds from borrowings		**10,450**	60,715
Proceeds from share issue to non-controlling interests		**5,250**	-
Repayment of loans issued		**12,502**	-
Share capital issued		**46,052**	-
		74,254	60,715
Cash was applied to			
Dividends paid to shareholders of the parent		**(12,708)**	(10,627)
Dividends paid to non-controlling interests		**(6,423)**	(195)
Repayment of borrowings		**(68,219)**	(800)
Repayment of lease liabilities		**(7,108)**	(4,157)
Loan amounts issued		**(2,788)**	-
		(97,246)	(15,779)
Net cash flows from financing activities		**(22,992)**	44,936
Net increase/(decrease) in cash held		**13,073**	(2,578)
Effect of foreign exchange		**(128)**	24
Cash at the beginning of the year		**18,564**	21,118
Cash at the end of the year		**31,509**	18,564

- The notes on pages 44 to 79 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 2023

Note 1 Reporting Entity and Basis of Preparation

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

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

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

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

Accounting policies and standards

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

The accounting policies adopted have been applied consistently throughout the periods presented in these financial statements. 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 which 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 applying the Group's accounting policies, management has made the following judgements which 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 measured at fair value at each reporting date.

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 and value in use.

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

Key sources of estimation uncertainty

Goodwill impairment

Determining whether goodwill is impaired requires an estimation of either the higher of the value in use 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.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

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.

Note 2 Revenue

	2023 $000	2022 $000
Revenue from the sale of goods	**108,271**	98,600
Revenue from the rendering of services [1]	**57,704**	21,051
Dividends	**1,333**	1,752
Interest revenue	**1,825**	704
Rental income	**904**	2,515
Total revenue	**170,037**	124,622

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

The following provides 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.

Medical services. Revenue derived from the operation of a private surgical hospital.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

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.

	2023 $000	2022 $000
Gain on disposal of investments	-	24
Gain/(loss) on disposal of property	16,161	3
Government Grants	39	375
Change in fair value of financial assets classified as fair value through profit or loss	(314)	(958)
Other	1,326	881
Total other income	17,212	325

Note 4 Other Expenses

		2023 $000	*Restated 2022 $000
Profit before tax has been arrived at after charging the following expenses:			
Employee benefit expense:			
Defined contribution plans	(I)	980	861
Share-based payments expense		183	-
Kiwisaver employer contributions		896	523
Other employee benefits	(II)	48,413	30,503
Total employee benefit expenses		50,472	31,887
Fees paid to auditors:			
Audit of the financial statements - group auditors		362	334
Audit of the financial statements - subsidiaries		85	5
Other non-audit services	(III)	37	33
Total fees paid to auditors		484	372
Other expenses		21,188	12,004
Total operating expenses		21,672	12,376

(I) Compulsory Australian superannuation payments.

(II) The difference from 2022 to 2023 is largely due to acquisitions and no covid related wage subsidies on 2023.

(III) Subsidiaries received taxation advice.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 5 Tax

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.

	2023 $000	Restated* 2022 $000
Income tax recognised in profit or loss:		
(Loss)/profit before tax	**29,452**	10,248
Prima facie tax at 28%	**8,247**	2,869
Tax effects of temporary differences:		-
Tax effects of different jurisdictions	**530**	542
Non deductible expenditure	**926**	515
Non assessable income	**(5,555)**	(1,876)
Unutilised tax losses	**629**	203
Imputation credits offset	**(365)**	(323)
Reversal of deferred tax liability	**-**	(1,853)
Prior period adjustment	**(1,173)**	(5)
Tax (benefit)/expense	**3,239**	73
Current tax	**4,158**	25
Deferred tax	**(919)**	48
Imputation credit account balance at end of year	**2,885**	4,138

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 5 Tax (continued)

2022*	Opening balance $000	Charged to income and comprehensive income $000	Business acquisitions $000	Closing balance $000
Gross deferred tax liabilities:				
Property, plant and equipment	1,316	34	(1,611)	(261)
Intangible assets	-	684	3,472	4,156
Fair value through profit or loss assets	368	(268)	-	100
	1,684	450	1,861	3,995
Gross deferred tax assets:				
Provisions, doubtful debts and impairment losses	1,676	(140)	192	1,728
Lease	374	809	-	1,183
Fair value through profit or loss financial assets	91	(91)	-	-
Tax losses	599	(80)	-	519
	2,740	498	192	3,430

*certain amounts have been restated as a result of finalising the valuations for the 2022 business acquisitions - see Note 27

2023	Opening balance $000	Charged to income and comprehensive income $000	Business acquisitions $000	Closing balance $000
Gross deferred tax liabilities:				
Property, plant and equipment	(261)	50	-	(211)
Intangible assets	4,156	54	-	4,210
Fair value through profit or loss assets	100	(100)	-	-
	3,995	4	-	3,999
Gross deferred tax assets:				
Provisions, doubtful debts and impairment losses	1,728	206	-	1,934
Lease	1,183	469	-	1,652
Fair value through profit or loss financial assets	-	54	-	54
Tax losses	519	194	-	713
	3,430	923	-	4,353

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

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 model, as permitted under NZ IFRS 9, which uses a lifetime expected loss allowance. Changes in the carrying amount of the allowance account are recognised through profit or loss.

	2023 $000	2022 $000
Trade receivables [(i)]	**18,090**	14,440
Expected credit loss allowance	**(238)**	(55)
	17,852	14,385
GST and other receivables	**1,451**	1,139
Total trade and other receivables	**19,303**	15,524

[(i)] The average credit period on sales of goods is 36 days (2022: 42 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 over 30 days at the reporting date with a carrying amount of $2,972,000 (2022: $1,242,000). 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.

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

	2023 $000	2022 $000
Ageing profiles of debtors:		
30-60 days	**1,785**	1,006
61-90 days	**829**	332
91-180 days	**358**	630
Total	**2,972**	1,968

	2023 $000	2022 $000
Movement in expected credit loss allowance:		
Balance at beginning of the year	**55**	55
Amounts provided for during the year	**114**	-
(Increase)/decrease in allowance recognised in profit	**3**	-
Balance at the end of the year	**172**	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 expected credit loss allowance.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

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.

	2023 $000	2022 $000
Merchandise held for resale	**15,336**	18,294
Goods in transit	**3,347**	3,175
Work in progress	**209**	161
Raw materials	**2,219**	653
Other movements	**208**	-
Provision for obsolescence	**(2,948)**	(2,863)
Total inventories balance	**18,371**	19,420

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 (FVTPL)

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

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 2023

Amortised cost

Term deposits and loans receivable are at amortised cost because they are held solely for payments of principal and interest, and do not include features outside a normal lending arrangement. They are recorded at amortised cost less impairment. For performing loans receivable where the credit risk is in line with the original expectations, the Group applies the 12 month expected credit losses (ECL) model. Where the expected lifetime of an asset is less than 12 months, ECLs are measured at its expected lifetime. For underperforming loans receivable, 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 ECL provision.

To measure the ECL, 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 Group has recognised an expected credit loss of $286,000 for the year ended 31 March 2023 for its loans receivable (2022: $286,000). 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.

The ECL measured for term deposits is trivial, therefore none has been recognised against those instruments.

	2023 $000	2022 $000
Other financial assets at amortised cost		
Term deposits	**46,206**	-
Loans to associate companies	**2,231**	1,000
Loans to other parties	**3,202**	**11,112**
Financial assets at fair value through profit or loss		
Publicly listed shares (FVTPL)	**3,117**	3,271
Interest rate swaps	**171**	-
Private shares (FVTPL)	**110**	270
Fair value through other comprehensive income		
Publicly listed shares (OCI)	**38,787**	51,737
Private shares (OCI)	**55,345**	91,546
Total other financial assets	**149,169**	158,936
Current financial assets	**52,225**	7,919
Non-current financial assets	**96,944**	151,017

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

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%

Right-of-use assets are depreciated over the term of the underlying lease.

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 consolidated income statement.

Gross carrying amount	Land and buildings $000	Plant and equipment $000	Furniture and leasehold improvements nts $000	IT Hardware at cost $000	PPE Total $000	ROU Assets $000	Total $000
2022 Restated*							
Gross value at the beginning of the year	15,621	45,914	14,817	1,293	77,645	29,808	107,453
Additions from acquisition of subsidiary	-	1,694	123	64	1,881	34,089	35,970
Other additions	26	2,663	601	242	3,532	1,301	4,833
Disposals	-	(1,949)	(120)	(30)	(2,099)	(1,205)	(3,304)
Right-of-use asset remeasurement	-	-	-	-	-	3,589	3,589
Gross value at the end of the year	**15,647**	**48,323**	**15,421**	**1,569**	**80,960**	**67,582**	**148,542**

*certain amounts have been restated as a result of finalising the valuations for the 2022 business acquisitions - see Note 27

Gross carrying amount	Land and buildings $000	Plant and equipment $000	Furniture and leasehold improvements nts $000	IT Hardware at cost $000	PPE Total $000	ROU Assets $000	Total $000
2023							
Gross value at the beginning of the year	15,647	48,323	15,421	1,569	80,960	67,582	148,542
Additions from acquisition of subsidiary	-	1,938	-	23	1,961	1,783	3,744
Other additions	2	3,356	816	284	4,458	1,768	6,226
Disposals	-	(325)	(26)	(33)	(384)	(139)	(523)
Right-of-use asset remeasurement	-	-	-	-	-	2,401	2,401
Gross value at the end of the year	**15,649**	**53,292**	**16,211**	**1,843**	**86,995**	**73,395**	**160,390**

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Right-of-use asset remeasurement

During the financial year both Rainbows End and Boulcott Holdco Ltd remeasured their right-of-use assets and corresponding lease liabilities due to rental increases. (2022: The Rainbow's end lease was extended for another 20 years which resulted in remeasurement).

Accumulated depreciation and impairment	Note	Land and buildings $000	Plant and equipment $000	Furniture and leasehold improvements nts $000	IT Hardware at cost $000	PPE Total $000	ROU Assets $000	Total $000
2022 Restated*								
Balance at the beginning of the year		10,860	33,007	8,689	1,145	53,701	5,810	59,511
Depreciation expense	30	282	2,221	829	152	3,484	2,042	5,526
Disposals		-	(1,948)	(109)	(14)	(2,071)	(431)	(2,502)
Balance at the end of the year		**11,142**	**33,280**	**9,409**	**1,283**	**55,114**	**7,421**	**62,535**

*certain amounts have been restated as a result of finalising the valuations for the 2022 business acquisitions - see Note 27

Accumulated depreciation and impairment	Note	Land and buildings $000	Plant and equipment $000	Furniture and leasehold improvements nts $000	IT Hardware at cost $000	PPE Total $000	ROU Assets $000	Total $000
2023								
Balance at the beginning of the year		11,142	33,280	9,409	1,283	55,114	7,421	62,535
Depreciation expense		267	3,030	891	298	4,486	3,791	8,277
Disposals		-	(312)	(19)	(37)	(368)	(154)	(522)
Balance at the end of the year		**11,409**	**35,998**	**10,281**	**1,544**	**59,232**	**11,057**	**70,290**
Net book value								
As at 31 March 2022		4,505	15,043	6,013	286	25,846	60,161	86,007
As at 31 March 2023		4,240	17,294	5,931	298	27,763	62,338	90,100

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 10 Investment Property

Investment property comprises a number of residential properties. It is recorded at cost less accumulated depreciation. Depreciation is calculated on a straight line basis, reducing the carrying value of the properties over their expected useful lives (3% to 18%) to their estimated residual values. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

	Note	2023 $000	2022 $000
Gross carrying amount			
Gross value at the beginning of the year		**2,149**	32,612
Additions		**-**	12
Transferred to Assets Held for Sale	24	**-**	(30,475)
Gross value at the end of the year		**2,149**	2,149
Accumulated depreciation and impairment			
Accumulated depreciation at the beginning of the year		**282**	10,578
Depreciation expense		**32**	997
Transferred to non-current assets held for sale	24	**-**	(11,293)
Accumulated depreciation at the end of the year		**314**	282
Net book value		**1,835**	1,867

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 11 Intangibles Assets

Intangible assets are separately measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition i.e. brands and trademarks, and customer specialists. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period the expenditure is incurred.

Intangible assets with finite useful lives are amortised over the useful economic life and assessment for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation periods and the amortisation method for an intangible asset with finite useful lives are reviewed annually, at the end of each reporting period. The estimated useful lives the Group's intangible assets are:

- Software 2 to 5 years
- Customer / Specialist relationships 10 to 15 years
- Brands and trademarks depending on industry, up to 9 years or indefinite

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually - see more detail below.

An intangible asset is derecognised at the earlier of disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset is taken through profit or loss.

	Brands and trademarks $000	Software $000	Customer and Specialist relationships $000	Total $000
2022*				
Gross carrying amount at the beginning of the year	-	1,497	-	1,497
Business acquisitions	7,283	9	7,676	14,968
Disposals	-	(1,064)	-	(1,064)
Gross carrying amount at the end of the year	**7,283**	**442**	**7,676**	**15,401**
Accumulated amortisation at the beginning of the year	-	1,073	-	1,073
Amortisation expense	18	12	100	130
Disposals	-	(667)	-	(667)
Accumulated amortisation at the end of the year	**18**	**418**	**100**	**536**
Net book value at the beginning of the year	-	424	-	424
Net book value at the end of the year	7,265	24	7,576	14,865

*certain amounts have been restated as a result of finalising the valuations for the 2022 business acquisitions - see Note 27

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 11 Intangibles Assets(continued)

	Brands and trademarks $000	Software $000	Customer and Specialist relationships $000	Total $000
2023				
Gross carrying amount at the beginning of the year	7,283	442	7,676	15,401
Additions from business acquisition	927	7	8	942
Additions	-	56	-	56
Gross carrying amount at the end of the year	**8,210**	**505**	**7,684**	**16,399**
Accumulated amortisation at the beginning of the year	18	418	100	536
Amortisation expense	53	25	721	799
Accumulated amortisation at the end of the year	**71**	**443**	**821**	**1,335**
Net book value at the beginning of the year	7,265	24	7,576	14,865
Net book value at the end of the year	8,139	62	6,863	15,064

Impairment testing for intangible assets

The Group tests intangible assets annually for impairment, or more frequently if there are indications that intangible assets might be impaired. The recoverable amounts of each of the intangible assets are determined on a similar basis as for goodwill. The key assumptions underlying the value in use calculations are the same as those applied for the impairment testing of goodwill. No impairment has been identified for the intangible assets noted above (2022: $nil). Refer to Note 12 for goodwill.

Review of useful lives

The Group have reviewed its useful life estimates and have not identified any factors which warrant a change in accounting estimate. In particular, the Group's assessment of its brands having an indefinite useful life remains appropriate and no factors have been identified which overturn this assessment (2022: no change).

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 12 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

	2023 $000	2022* $000
Auckland Packaging Company Limited	**2,977**	2,977
Bio-Strategy Holdings Limited	**6,626**	6,626
Boulcott Holdco Limited	**17,835**	17,835
Mrs Higgins (2004) Limited	**273**	-
Total goodwill	**27,711**	27,438

*Goodwill figures have been restated as a result of finalising the valuations for the 2022 business acquisitions - see Note 27

	2023 $000	2022* $000
Cost	**27,438**	13,067
Additions	**273**	18,987
Transferred to Assets held for sale	**-**	(4,616)
Total goodwill	**27,711**	27,438

*Goodwill figures have been restated as a result of finalising the valuations for the 2022 business acquisitions - see Note 27

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.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 13 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.

	2023 $000	Restated* 2022 $000
Trade creditors*	**11,203**	10,327
GST payable	**1,375**	1,019
Accrued interest	**96**	205
Deferred income	**5,517**	5,569
Other payables	**5,133**	4,123
Total trade and other payables	**23,324**	21,243

*The average credit period on purchases of certain goods is 28 days (2022: 28 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.

Note 14 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

	2023 $000	Restated* 2022 $000
Unsecured at amortised cost		
Current		
Loans from non-controlling interests in subsidiaries (current)	**-**	6,508
Bank loans	**-**	22,250
Non-current		
Loans from non-controlling interests in subsidiaries (non-current)	**2,680**	3,130
Loans from related parties	**-**	-
Bank loans	**-**	3,067
Secured at amortised cost		
Current		
Bank loans (secured current)	**13,810**	1,834
Finance lease liabilities	**-**	12
Non-current		
Bank loans (secured non-current)	**3,055**	38,460
Total borrowings	**19,545**	75,261
Current borrowings	**13,810**	30,604
Non-current borrowings	**5,735**	44,657

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

New Zealand Experience Limited has a Business Finance scheme loan of $1.1 million (2022: $1.5 million) with BNZ. Under a general security agreement, a first ranking security and mortgage was granted to BNZ over all present and acquired property of Rainbow's End Theme Park Limited, The interest rate on the loan is 2.3% p.a. (2022: 2.3%). The loan matures on 11 March 2026.

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. The covenant was breached as at 31 December 2022 due to breaching the required Gross Leverage Ratio, however the bank provided a waiver for the breach prior to the year end.

Boulcott Hold Co has a secured term loan facility of $11,900,000 with BNZ which expires on 31 March 2027, of which $10m was drawn down at balance date, The loans are secured against all of the present and after acquired property. The covenant was breached as at 31 March 23 year due to breaching the required Net Leverage Ratio and Fixed Charge Cover Ratio, however the bank provided a waiver for the breach subsequent to year end.

APC has an overdraft facility of $750,000 and a fixed interest term loan with BNZ which matures in November 2026. The interest rate is fixed until November 2024 at 3.65%. The loan is secured on the present and after acquired property of the company.

Polynesian Spa Limited had a Custom Average Rate Loan facility with BNZ of $2,350,000 which expired in July 2022. It was secured by a general security agreement over all its assets, uncalled capital and undertakings of the company. As at 31 March 2023, there are no secured facilities available to the Polynesian Spa Limited.

(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. The Group does not hedge account for its derivatives.

	2023 $000	2022 $000
Current		
Foreign currency forward contracts	-	342
Total foreign currency forward contracts	**-**	342

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.

Note 15 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.

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.

	2023 $000	2022 $000
Employee benefits	**5,470**	5,210
Lease make good	**634**	738
Other provisions	**1**	-
Total provisions	**6,105**	5,948
Current provisions	**5,297**	5,210
Non-current provisions	**808**	738

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 16 Leases

The Group assesses at contract inception whether a contract contains a lease. The Group recognises a right-of-use asset and lease liabilities for contracts that contain a lease, except for when the practical expedient is applied by the Group when the lease is for 12 months or less, or the underlying asset is of low value.

Right-of-use assets and lease liabilities are initially measured at the present value of the remaining lease payments, discounted at the incremental borrowing rate. Subsequently:

- the carrying amount of the right-of-use asset is depreciated over its expected useful life.
- the carrying value of the liability is adjusted to reflect interest and lease payments made. Lease liabilities may be re-measured when there is a change in future lease payments arising from a change in an index or market rate, or if there is a change in the Group's estimate of the amount expected to be payable.

The Group assesses at lease commencement whether it expects to exercise renewal options included in contracts. Where it is reasonably certain that renewal options will be exercised, the extension period is included in the right-of-use asset and lease liability calculation.

The Group has lease contracts relating to its premises which are used as part of its operations.

The following is a summary of the movements in the Group's lease liabilities. Right of use assets are included as part of the Group's property, plant and equipment, disclosed in note 9.

	2023 $000	Restated* 2022 $000
Balance at 1 April	**62,573**	26,841
Accretion of interest	**4,184**	852
Additions	**816**	683
Additions from acquisition of subsidiary	**1,783**	34,089
Modifications	**3,357**	2,975
Lease payments	**(7,108)**	(3,587)
Balance at 31 March	**65,605**	61,853
Current	**5,610**	7,658
Non-current	**59,995**	54,915
Total lease liability balance	**65,605**	62,573

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the term of the lease and is included in revenue. Initial indirect costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the term of the lease on the same basis as rental income. Contingent rents are recognised as revenue in the period they are incurred.

The Group has receivables from operating leases relating to the sub lease of clinics within the private hospital and the lease of premises on its investment property.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

The following is a summary of future minimum rentals receivable under non-cancellable operating leases:

	2023 $000	2022 $000
Not later than one year	**567**	607
One to two years	**573**	397
Two to five years	**1,719**	1,129
More than five years	**3,435**	3,200
Future minimum operating lease receivables	**6,294**	5,333

Note 17 Share Capital

	Number of shares		$000	
	2023	2022	2023	2022
Ordinary "A" shares	9,398	6,165	51,269	6,165
Ordinary "B" shares	11,547	11,547	11,547	11,547
Ordinary shares	20,945	17,712	62,816	17,712
less Treasury shares	(5)	(4)	(58)	(45)
Total share capital	**20,940**	**17,708**	**62,758**	**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 in such a way as to interfere with the rights and privileges of the holders of "B" shares.

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.

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 18 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.

	2023 $000	Restated* 2022 $000
Profit attributable to equity holders of the Parent ($000)	**20,395**	9,272
Weighted average number of shares ('000)	**19,314**	17,708
Earnings per share	**105.60**	52.4

Note 19 Dividends

	2023	2022
Amount paid (cents per share)	**67.0**	60
Amount paid ($000's)	**12,708**	10,627

Note 20 Capital Commitments

	2023 $000	2022 $000
Plant and equipment	**84**	323
Investments	**12,716**	10,070
	12,800	10,393

Capital commitments are mainly for investment funds which are under contract but not invested at the reporting date.

Note 21 Contingent Liabilities

There are no significant contingent liabilities (2022: nil).

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 22 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. 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.

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.

Subsidiary	Principal activities	Ownership at 31 March 2023	2022
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%
Boulcott Hold Co Limited	Private Hospital	69%	100%
Domett Properties Limited	Property	68%	68%
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%
Mrs Higgins (2004) Limited	Manufacturing	100%	50%
NZ Experience Limited	Theme park operator	100%	100%
Polynesian Spa Limited	Tourism	51%	51%
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	0%	100%
Watt Land Company Limited	Trading investment	100%	100%

(I) Non trading subsidiaries.

Tongariro Invt Limited has been dormant for 2 years since the disposal of its investment in Precision Dispensing Systems Ltd in October 2020, and consequently was removed from the Companies Office register on 15 March 2023.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 23 Related Party Transactions

TRANSACTIONS AND BALANCES WITH ASSOCIATES AND KEY MANAGEMENT PERSONNEL

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

	2023 $000	2022 $000
Expenses		
Key management personnel expenses comprised :		
Short-term employee benefits	**4,769**	4,099
	4,769	4,099

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 $665,000 (2022 : $676,000 - restated to include directors' fees paid to group directors on subsidiary boards).

Note 24 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 14, 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 both Boulcott and Bio-Strategy breached its covenant although BNZ issued a waiver for those breaches.

(b) Foreign Currency Risk Management

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

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

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

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

	2023 $000	2022 $000
Assets		
AUD	**10,163**	12,916
EUR	**11**	19
USD	**24,043**	33,166
Liabilities		
USD	**3,654**	5,791
EUR	**1,634**	778
AUD	**8,998**	9,831
GBP	**141**	122
JPY	**154**	-
CHF	**-**	1

(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 2023

Note 24 Financial Instruments (continued)

(d) Categories Of Financial Instruments

The Group has classified its financial instruments into the following categories as required by NZ IFRS 9: amortised cost, fair value through other comprehensive income (FVOCI), and fair value through profit or loss (FVTPL)

2022 Restated*	Amortised cost $000	FVOCI $000	FVTPL $000	Total $000
Assets				
Cash and term deposits	18,564	-	-	18,564
Trade and other receivables	15,524	-	-	15,524
Other financial assets	12,112	143,283	3,541	158,936
Total financial assets	46,200	143,283	3,541	193,024
Liabilities				
Trade and other payables	21,137	-	-	21,137
Borrowings and other financial liabilities	75,223	342	-	75,565
Total financial liabilities	96,360	342	-	96,702

2023	Amortised cost $000	FVOCI $000	FVTPL $000	Total $000
Assets				
Cash and cash equivalents	31,509	-	-	31,509
Trade receivables (contractual only)	19,303	-	-	19,303
Other financial assets	51,639	94,132	3,398	149,169
Total financial assets	102,451	94,132	3,398	199,981
Liabilities				
Trade payables (contractual only)	16,432	-	-	16,432
Borrowings and other financial liabilities	19,545		-	19,545
Total financial liabilities	35,977	-	-	35,977

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

(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 $12.659m (2022 : $60.566m).

A sensitivity analysis of the exposure to interest rate risk at reporting date shows if variable interest rates had been 1% higher/lower, while all other variables were held constant, the net profit after tax would have decreased/increased by $91,000.

(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 8.

(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.

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 $388,000 and the financial assets at fair value through profit and loss by $31,000.

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 $553,000, and the financial assets at fair value through profit and loss by $nil.

(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)."

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 24 Financial Instruments (continued)

2022	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit and loss				
Listed Shares	3,271	-	-	3,271
NZ Venture Capital Funds	-	-	270	270
Fair value through other comprehensive income				
Listed Shares	51,737	-	-	51,737
Minority Shareholding in unlisted NZ companies	-	18,501	42,466	60,967
NZ Venture Capital Funds and Investments	-	4,170	-	4,170
NZ Agricultural LPs	-	-	18,678	18,678
Australian Venture Capital Funds	-	882	-	882
US Venture Capital Funds	-	6,489	-	6,489
Total financial assets at fair value	55,008	30,042	61,414	146,464

2023	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets at fair value through profit and loss				
Listed Shares	3,117	-	-	**3,117**
NZ Venture Capital Funds	-	110	-	**110**
Fair value through other comprehensive income				
Listed Shares	38,787	-	-	**38,787**
Minority Shareholdings in unlisted NZ companies		19,173	-	**19,173**
NZ Venture Capital Funds and Investments	-	6,440	-	**6,440**
NZ Agricultural LPs			19,924	**19,924**
Australian Venture Capital Funds		1,803	-	**1,803**
US Venture Capital Funds		7,895	-	**7,895**
Total financial assets at fair value	41,904	35,421	19,924	**97,249**

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 2023

Company Detail	Fair value $000	Valuation	Significant	Assumption	Reasonable	Change in	Share-holding
2022							
Partners Life	42,466	Market multiples calibrated with recent investment prices	Price / Tangible Book Value multiple	1.14 times	0.6 times	+22.3 (-22.3)	5.20%
			Market premium	14%	12%	+4.7 (-4.7)	
NZ Agricultural LPs (Kiwifruit)	18,678	Direct Comparison Approach	Value of Kiwifruit land	$1.1m - $1.35m per hectare	$0.3m per hectare	+7.5 (-7.5)	15% - 30%

Company Detail	Fair value $000	Valuation technique	Significant unobservable inputs	Assumption	Reasonable Shift	Change in valuation	Share-holding
2023							
NZ Agricultural LPs (Kiwifruit)	19,924	Direct Comparison Approach	Value of Kiwifruit land	$1.25m - $1.55m per hectare	$0.3m per hectare	"+6.2 (-6.2)"	15% - 29%

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 24 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
2022 Restated*						
Finance leases	1	1	10	-	-	**12**
Non-interest bearing	20,849	491	240	-	-	**21,580**
Variable interest rate instruments	-	200	1,638	13,460	-	**15,298**
Fixed interest rate instruments	6,508	-	18,992	34,456	-	**59,956**
Total financial liabilities	27,358	692	20,880	47,916	-	**96,846**
2023						
Non-interest bearing	20,958	1,080	693	-		**22,731**
Variable interest rate instruments	-	200	3,690	8,769		**12,659**
Fixed interest rate instruments	-	-	371	7,108	-	**7,479**
Total financial liabilities	20,959	1,280	4,754	15,877	-	**42,869**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 25 Associate Companies

Rangatira had significant influence over the following companies for the period ended 31 March 2023. Accordingly, they are recognised as associate companies and equity accounted.

		Carrying value		Interest	
Associate company	**Principal activities**	**2023**	**2022**	**2023**	**2022**
BeGroup Investments LP	Operation of retirement villages	39,911	32,999	**25%**	25%
Magritek Holdings Limited	Scientific equipment manufacturing	10,926	11,907	**27%**	27%
NZ Pastures Limited ('NZPL')	Sheep, beef and forestry property	4,657	4,669	**20%**	20%
CCA SDT Limited ('CCA SDT')	Log transportation	7,901	-	**37%**	0%
NZ Scaffolding Group ('NZSG')	Scaffolding and related infrastructure	20,454	-	**28%**	0%
Mrs Higgins (2004) Limited	Manufacturing	-	4,339	**100%**	50%

The following is a summary of the movements in the Group's equity accounted investments:

2023	Magritek $000	Mrs Higgins $000	NZPL $000	BeGroup $000	CCA SDT $000	NZSG $000	Total $000
Carrying value at 1 April	11,908	4,339	4,669	32,999	-	-	53,915
Acquisition of shares	319	-	-	-	7,500	19,510	27,329
Share of associate's:							-
- net profit/(loss) after tax	2,341	10	(12)	3,049	401	944	6,733
- other comprehensive Income	112	-	-	5,462	-	-	5,574
Distributions	(3,754)	(175)	-	(1,599)	-	-	(5,528)
Disposals	-	(4,174)	-	-	-	-	(4,174)
Carrying value as at 31 March	**10,926**	**-**	**4,657**	**39,911**	**7,901**	**20,454**	**83,849**

2022	Magritek $000	Mrs Higgins $000	NZPL $000	BeGroup $000	CCA SDT $000	NZSG $000	Total $000
Carrying value at 1 April	9,330	4,554	4,394	-	-	-	18,278
Acquisition of shares	-	-	-	26,102	-	-	26,102
Share of associate's:							-
- net profit/(loss) after tax	2,776	212	275	4,415	-	-	7,678
- other comprehensive Income	(198)	-	-	2,928	-	-	2,730
Distributions	-	-	-	(446)	-	-	(446)
Impairment	-	(427)	-	-	-	-	(427)
Carrying value as at 31 March	**11,908**	**4,339**	**4,669**	**32,999**	**-**	**-**	**53,915**

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 25 Associate Companies (continued)

Further investment in Mrs Higgins (2004) Limited

Before 31 May 2022, Rangatira owned 50% in Mrs Higgins (2004) Limited ('Mrs Higgins') and that interest was recognised as an associate company and equity accounted. Rangatira entered a share purchase agreement providing Rangatira control over of Mrs Higgins. From 1 June 2022, Mrs Higgins has been accounted for as a subsidiary. This has been accounted for a business combination achieved in stages - see Note 27.

New investment in SDT and NZSG in 2023

Rangatira acquired 37% in CCA SDT on 1 April 2022, and 27% in NZSG on 1 October 2022:

- CCA SDT is a holding company structured with other investors which controls Stuart Drummond Limited, the leading provider of log transport in the Nelson / Marlborough region
- NZSG is one of New Zealand's largest provider of scaffolding, formwork, height access and related infrastructure services

The Group has significant influence over those entities, therefore these have been included as part of its associate companies. (2022: BeGroup Investments LP on 30 June 2021, operating retirement villages across the North Island of New Zealand)

Impairment

No impairment has been identified for the Group's equity accounted investments (2022: $426,500 for Mrs Higgins).

Balances with associate companies

At 31 March 2023, Rangatira has an outstanding loan receivable of $2.231m from NZPL (2022: $1m). There are no other balances outstanding between Rangatira and its associate companies. The associates have no contingent liabilities incurred jointly with other investors, or those which arise because of several liability (2022: $nil).

Note 26 Assets Held For Sale

On 23 December 2021 the group made an unconditional sale of its main investment property to Oyster Industrial Properties Ltd for gross proceeds of $40,500,000 which settled on 29 April 2022. Consequently the investment property was classified as an asset held for sale at 31 March 2022. After sales costs, the net gain from the sale of Rangatira's 67.5% interest was $10.922m.

	$000
Details of the sale	
Sale price	40,500
Carrying amount of net assets as at the date of sale	23,972
Gain on sale before transaction costs	16,528
Costs of disposal	365
Gain on sale	16,163
The non controlling interest portion of this gain is	5,241
Gain on sale attributable to the Group	10,922
Gain on sale	16,163

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 27 Business Combinations

Accounting policy

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under NZ IFRS 3 Business Combinations are recognised at their fair values at the acquisition date.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess will be recognised in profit or loss.

Where the valuation of the acquired business has not been completed before the completion of the consolidated financial statements, the amounts reported are provisional. Once the valuation of assets and liabilities identified as part of this process are finalised following completion of the financial statements, then the accounting for the acquisition will be revised (if required).

2023 ACQUISITIONS

(a) Acquisition of Mrs Higgins (2004) Limited

Effective 31 May 2022, Rangatira owns 100% of Mrs Higgins (2004) Limited ('Mrs Higgins'). Before 31 May 2022, Rangatira held a 50% ownership and acquired the remaining 50% through a share purchase agreement with the previous shareholder. Because Rangatira owned 50% of Mrs Higgins before the agreement, this is accounted for as a business combination achieved in stages (a 'stepped acquisition').

The fair value of Mrs Higgins on the date of acquisition was determined by the Group following an independent valuation completed in November 2022. The following table sets out the loss on deemed sale of the previously held 50%, the consideration paid and the fair value of the tangible assets acquired and liabilities assumed at acquisition date.

The intangible assets identified in Mrs Higgins were trade names and trademarks. The measurement of fair values of trade names used the relief-from-royalty method. The relief from royalty estimates fair value based on the present value of future forgone royalty payments over the life of the asset not required to be paid by virtue of owning the asset.

	$000
Purchase price	
Cash paid on completion date	2,325
Deferred cash payment - 18 months from completion	1,237
Fair value of 50% of Mrs Higgins as at 31 May 2022	3,562
Total purchase price	**7,124**

*the carrying value of Rangatira's investment in Mrs Higgins on the date of acquisition was $4.17m. As part of the stepped acquisition accounting, that investment was derecognised which includes a deemed loss on sale of $0.612m.

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 27 Business Combinations (continued)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Mrs Higgins at the date of the acquisition were:

	$000
Purchase price	
Cash and cash equivalents	2,875
Trade receivables	1,511
Prepayments	40
Inventories	1,067
Property, plant and equipment	1,944
Intangible assets	935
Right-of-use assets	1,783
Trade and other payables	(1,259)
Lease liabilities	(148)
Borrowings	(1,635)
Deferred tax liability	(262)
Total identifiable assets acquired and liabilities assumed	**6,851**
Goodwill on acquisition	273
Net assets attributable to the Group	**7,124**

2022 ACQUISITIONS

Amounts reported in the 2022 financial statements were based on provisional amount while independent valuations were sought. The valuations for the 2022 acquisitions were completed in November 2022 which was after 2022 financial statements were approved. The 2022 comparatives have been restated to reflect the results of the valuation and the following are summaries of those restatements.

(a) Acquisition Of Boulcott Pulse Health Ltd

Boulcott HoldCo Ltd, a 100% held subsidiary of Rangatira Limited, acquired 100% of the shares of Boulcott Pulse Health Limited on 28 February 2022. The assets and liabilities recognised in 2022 financial statements were based on a provisional assessment of their fair value while the Group sought an independent valuation. The valuation was completed in November 2022 and identified the intangible assets as specialist relationships – relationships with the medical specialists (who use the hospital facilities and administrative support, but are neither employees nor contractors) - and trade names and trademarks.

The multi-period excess earnings method was used to value the specialist relationships. The relief-from-royalty method (as described in note 27 A above) was used to value the trade names and trademarks."

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

The following are the results and adjustments against the provision amounts included in the 2022 comparative information (where applicable):

Purchase price

There was no change to the fair value of the purchase price reported in the 2022 financial statements:

	$000
Cash paid on completion	19,745
External debt funding	11,632
Total fair value of the purchase price	**31,377**

Assets acquired and liabilities assumed

The following summarises changes to the provisional amounts reported in the 2022 financial statements, following the completion of the valuation. Revisions are were mainly for the lease liability and right-of-use asset, the recognition of intangible assets being trade names ($6.800m) and specialist relationships ($5.600m), and associated impacts to deferred tax balances.

	Provisional $000	Adjustment $000	Final $000
Cash and cash equivalents	1,228	-	1,228
Trade receivables	2,729	(20)	2,709
Inventories	785	-	785
Deferred tax asset	999	(890)	109
Property, plant and equipment	1,876	-	1,876
Right-of-use assets	23,499	10,590	34,089
Intangible assets	-	12,400	12,400
Investments	17	-	17
Lease liabilities	(23,546)	(10,543)	(34,089)
Trade and other payables	(2,562)	-	(2,562)
Deferred tax liability	-	(3,020)	(3,020)
Total identifiable net assets attributable to the Group	**5,025**	**8,517**	**13,542**
Goodwill on acquisition	26,352	(8,517)	17,835
Value of assets acquired attributable to the Group	**31,377**	**-**	**31,377**

(b) Disposal of Non-Controlling Interest in Boulcott Holdco Ltd

On 19 August 2022 Rangatira Limited sold 31 % of the share capital of Boulcott Holdco Ltd to medical specialists who work at the hospital for a consideration of $7,900,000. This resulted in NCI of $1,925,000 being recorded at the disposal date, representing the non controlling interest's share of identifiable net assets (excluding goodwill).

(c) Acquisition of Jazz Print

On 1 December 2021, Auckland Packaging Company Ltd acquired the net assets of Jazz Print, an Auckland based manufacturer of signage and supplier of merchandising solutions for $4.584m. Goodwill of $2.994m was recognised based on provisional information in the 2022 financial statements. Following the valuation of the Jazz Print, the goodwill was revised to $1.151m, mainly due to the recognition of intangible assets being trademarks and trade names ($0.483m) and customer relationships ($2.042m).

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 28 Share Based Payments

A Long-term incentive plan (LTIP) was put in place for the three-year period between April 2022 (FY23) to March 2025 (FY25) for invited employees.

This gives participants the rights to A shares upon meeting or exceeding set three-year performance Total Shareholder return (TSR) hurdles. Each employee can earn an amount equal to a set percentage of their base salary in the case these hurdles are met. The hurdles are:

3 Year Average TSR	Percentage of Rights to Vest
Below 8%	Nil
Between 8% and 10%	Between 20% and 60%
Between 10% and 12%	Between 60% and 100%
Between 12% and 15%	Between 100% and 150%
Over 15%	150%

The TSR is calculated using the year-on-year change in directors' valuation and dividends paid, as a percentage of the opening directors' valuation.

For the initial allocation for the years FY23, FY24 and FY25 the amount earned through the LTI will be converted into A shares using a price of $14.25 per share. This was consistent with the capital raise process completed in August 2022. It represented 86.8% of the latest director's valuation at the time of the capital raise – June 2022 the Directors NAV was $16.41 per share.

It is anticipated that each year another allocation would be made for the next three-year period.

To the extent that the performance and service conditions are not met, the share rights are forfeited unless otherwise agreed by the parent company's Board.

The LTIP contains a net of tax settlement feature where Rangatira Limited will withhold a number of shares, equal to the value of the employees' tax obligations. The employee will be issued shares net of their tax obligation, and the Company will settle the employee's tax obligation through PAYE payment, directly to Inland Revenue on the employee's behalf. Accordingly:

- The award of shares to the employee net of their tax obligations is classified as an equity-settled share-based payment transaction, with non-market performance conditions and a service condition; and
- The amount Rangatira Limited expects to pay Inland Revenue to settle the employees' tax obligation in relation to the LTIP is classified as a cash-settled share-based payment transaction.

Equity-settled portion of the LTIP

The following table summarises the movements in the reserve related to progress toward the vesting of share rights in the Group's share based payment reserve:

	2023 $000	2022 $000
Opening balance	-	-
Progress toward share rights (expense recognised through profit or loss)	98	-
Share rights forfeited during the year (transferred to retained earnings)	-	-
Share based payment reserve closing balance	98	-

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Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

The amount recognised is based on the Group's current estimate of results against the LTIP's performance and service conditions, completion against the vesting period, and the fair value of the shares on grant date at $13.97. In calculating this fair value, the $14.25 per share has been adjusted to reflect that no dividends are payable until the rights are awarded. Currently, the Group expects all conditions to be met (2022: nil).

Cash-settled portion of the LTIP

Upon vesting of share rights, the Rangatira Limited settles the employee's PAYE liability in relation to the LTIP and issues the net amount of shares to those employees. In relation to this, a liability of $84,626 (2022: $nil) has been included in the Group's other non-current liabilities in its statement of financial position.

Movements in the number of share rights granted

The following table illustrates the number of, and movements in, total share rights and the total shares issued during the year subject to the vesting conditions. None of the share rights are exercisable as the vesting conditions have not yet been met.

	2023 $000	2022 $000
Opening balance	-	-
Granted during the period	43,547	-
Exercised during the period	-	-
Forfeited during the period	-	-
Closing balance	43,547	-

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 29 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	2023 $000	Restated* 2022 $000
Profit after tax		**26,213**	10,175
Add/(less) non-cash items:			
Share of retained profit for the year from associate companies		**(1,205)**	(7,679)
Depreciation and amortisation	9-11	**9,109**	7,461
Other miscellaneous non-cash items		**(1,029)**	(686)
(Decrease) in deferred tax		**(655)**	(2,546)
Share based payment expense		**183**	
Impairment loss on investment		**-**	823
Loss/(gain) on revaluation of financial assets at fair value through profit or loss		**314**	-
		6,717	(2,627)
Add/(less) movements in other working capital items:			
Change in trade receivables		**(2,227)**	2,384
Change in inventories		**2,116**	5,594
Change in tax receivable		**(719)**	-
Change in other current assets		**(2,972)**	816
(Increase)/decrease in other current financial assets		**(702)**	-
Change in trade payables		**822**	(3,277)
Change in current tax payable		**1,461**	(712)
Change in provisions		**157**	(2,033)
Change in other current financial liabilities		**(32)**	(81)
		(2,096)	2,691
Less items classified as investing activities:			
Net gain on sale of investments		**-**	(24)
(Gain) / loss on disposal of property	26	**(16,163)**	
(Gain) / loss on associate companies becoming subsidiaries		**613**	-
Net (gain)/loss on sale of fixed assets		**(46)**	(3)
Change in lease liabilities		**4,187**	(1,347)
Transaction costs capitalised to share capital		**(962)**	
		(12,371)	(1,374)
Net cash inflows from operating activities		**18,463**	8,865

Rangatira Group

Notes to the Consolidated Financial Statements (continued)

For the year ended 31 March 2023

Note 30 Segmental Information

	Public investments		Private investments		Group	Restated
	2023 $000	2022 $000	2023 $000	2022 $000	2023 $000	2022 $000
Revenue	**637**	1,752	**167,575**	122,166	**168,212**	123,918
Segment profit before finance costs, interest revenue and tax	**121**	333	**26,513**	4,649	**26,634**	4,982
Interest revenue					**1,825**	704
Impairment expense					**-**	(823)
Share of profit for the year from associate companies					**6,733**	7,678
Finance costs					**(5,740)**	(2,366)
Tax					**(3,239)**	(73)
Profit after tax from continuing operations					**26,213**	10,175
Segment assets	**41,904**	55,008	**403,379**	372,114	**445,283**	427,122
Segment liabilities	-	-	**123,389**	174,314	**123,389**	174,314

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 31 Events After Balance Date

(a) Dividend Declared

Rangatira Limited has agree to pay a dividend of 46cps on 7 July 2023.

Independent Auditor's Report

To the shareholders of Rangatira Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the consolidated financial statements of Rangatira Limited (the 'company') and its subsidiaries (the 'group') on pages 38 to 79 present fairly, in all material respects:

i. the Group's financial position as at 31 March 2023 and its financial performance and cash flows for the year ended on that date;

in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2023;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies.

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

Use of this independent auditor's report

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

Responsibilities of the Directors for the consolidated financial statements

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

- the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards issued by the New Zealand Accounting Standards Board;
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is 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 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

23 June 2023

Supplementary Information

Dividends

The Board has resolved to declare a final dividend of 46 cents per share to be paid on 7 July 2023. An interim dividend of 26 cents per share was paid on 20 December 2022. This makes a total of 72 cents per share for the year ending 31 March 2023, 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, Sophie Haslem and Richard Wilks will retire by rotation and being eligible will offer themselves for re-election.

Remuneration of Directors

Directors of the Company were paid director fees during the year as follows:

David Pilkington	$120,251
Douglas (Keith) Gibson	$84,667
David Gibson	$71,250
Sophie Haslem	$82,917
Ian (Sam) Knowles	$71,250
Catherine Quinn ONZM	$71,250
Richard Wilks	$71,250

Directors' shareholdings

	2023 (as at 31 March 2023)	
	A shares	**B shares**
David Pilkington	58,888	2,520
Douglas (Keith) Gibson	79,500	-
David Gibson	9,579	-
Sophie Haslem	5,000	-
Ian (Sam) Knowles	33,815	33,252
Catherine Quinn ONZM	15,000	-
Richard Wilks	7,000	-

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:

	2023	2022
$100,000-$110,000	17	20
$110,001-$120,000	29	14
$120,001-$130,000	16	7
$130,001-$140,000	22	2
$140,001, $150,000	14	2
$150,001-$160,000	2	0
$160,001-$170,000	4	3
$170,001-$180,000	4	2
$180,001-$190,000	1	2
$190,001-$200,000	3	1
$200,001-$210,000	0	2
$210,001-$220,000	2	0
$220,001-$230,000	6	2
$230,001-$240,000	0	1
$240,001-$250,000	0	0
$250,001-$260,000	2	1
$260,001-$270,000	1	0
$270,001-$280,000	0	0
$280,001-$290,000	0	0
$290,001-$300,000	0	1
$300,001-$310,000	0	0
$310,001-$320,000	0	0
$320,001-$330,000	0	0
$330,001-$340,000	0	0
$340,001-$350,000	1	1
$380,001-$390,000	0	1
$390,001-$400,000	2	0
$480,001-$490,000	0	1
$510,001-$520,000	0	0
$540,001-$550,000	1	0
$640,001-$650,000	0	1
$690,001-$700,000	1	0

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 2022

Background

At a special meeting of Rangatira shareholders held on 6 December 2022, "A" class shareholders of Rangatira approved the acquisition by Rangatira of up to an aggregate of 600,000 A shares and 600,000 B shares from shareholders during the period from 6 December 2022 to 6 December 2027 **(Buyback)**, on the terms and conditions more fully explained in the explanatory notes accompanying the notice of meeting for the 6 December 2023 meeting.

The Takeovers Panel granted to Rangatira an exemption from the Takeovers Code so that the Code Shareholders (listed in the Appendix) are exempted from rule 6(1) of the Takeovers Code in respect of any increased percentage of voting rights held or controlled by any of them as a result of the Buyback. The disclosures below are required by the Takeovers Code (Rangatira Limited) Exemption Notice 2022 **(Exemption Notice)**.

	Disclosure requirements	Disclosure
a	A summary of the terms of the Buyback, as approved at the special meeting held on 6 December 2022.	Rangatira intends to make one or more offers **(Offer)** to shareholders of Rangatira to acquire up to an aggregate of: • 600,000 A shares in Rangatira; and • 600,000 B shares in Rangatira, on the following terms: • the consideration for each Share will be determined by the Board from time to time, however will not exceed 80% of the assessed asset backing value of each Share as set out in the last public statement of that assessed asset backing value made by Rangatira prior to the Offer; and • the Offer(s) will be made between 6 December 2022 and 6 December 2027, 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 $11.32 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;	2,182,626 shares being 23.23% 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;	23.23% 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;	24.82%
	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;	24.82%
	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 in the 31 March 2023 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 2023 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	0.67%
Douglas Keith Gibson	0.85%
Douglas Keith Gibson, Robyn May Gibson and William Duncan Macdonald (as trustees of a family trust)	0.32%
Nicola Kate Gibson	0.67%
Robyn May Gibson	4.98%
Robyn May Gibson, Douglas Keith Gibson and Ian Gary MacKegg (*as trustees of a family trust*)	1.06%
Sarah Louise McLennan	0.70%
McKenzie Family	
Ruth Anne McKenzie	3.77%
David McKenzie	1.48%
Christopher McKenzie	1.48%
John Allan McKenzie and Jennifer Mary McKenzie (*holding on behalf of Ethan Cecil Roy McKenzie*)	0.61%
John Allan McKenzie and Jennifer Mary McKenzie (*holding on behalf of Alberta Louis Helen McKenzie*)	0.61%
Aubrey Meredith Bloomfield	0.61%
Sibyl Ella May Bloomfield	0.61%
Others	
Christopher McKenzie and David Vance (*as personal trustees of the JR McKenzie Trust*)	4.81%
Total	**23.23%**

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 Partner (Auckland)
D Bossard - Investment Director (Auckland)
A B Barker - Financial Accountant
K W Purdon - Investment Manager
T C Brand - Investment Analyst (Auckland)

Company

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Share Registrar

Computershare Limited
Private Bag 92119
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Email: enquiry@computershare.co.nz
www.computershare.com/nz

Auditor

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Share Trading and Price Information

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RANGATIRA
INVESTMENTS