Statement of comprehensive income

For the year ended 31 December 2020

		Alpha	Delta	Zeta	Mu
		2020	**2020**	**2020**	**2020**
Interest income		-	-	-	-
Dividend income		-	-	-	-
Change in fair value of investments	*11*	-	-	-	-
Gain/(loss) on realisation of investments	*11*	-	328,160	-	-
Administrative expenses		-	-	-	-
(Loss)/profit before tax		-	328,160	-	-
Income tax expense (Note 6)		-	-	-	-
(Loss)/profit for the year		-	328,160	-	-
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	328,160	-	-

Statement of comprehensive income

For the year ended 31 December 2019

		Alpha	Delta	Zeta	Mu
		2019	**2019**	**2019**	**2019**
Interest income		-	-	-	-
Dividend income		-	-	-	-
Change in fair value of investments	*11*	(42,339)	-	-	-
Gain/(loss) on realisation of investments		-	-	877,032	41
Administrative expenses		(14,730)	-	-	(140)
(Loss)/profit before tax		(57,069)	-	877,032	(99)
Income tax expense (Note 6)		-	-	-	-
(Loss)/profit for the year		(57,069)	-	877,032	(99)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		(57,069)	-	877,032	(99)

Statement of changes in equity

For the year ended 31 December 2020

	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Balance at 1 January 2020	-	-	-	-
Shares issued	-	-	-	-
Total comprehensive income for the year	-	328,160	-	-
Distributions to equity holders	-	(328,160)	-	-
Balance at 31 December 2020	-	-	-	-

Statement of changes in equity

For the year ended 31 December 2019

	Alpha 2019	Delta 2019	Zeta 2019	Mu 2019
Balance at 1 January 2019	(761,367)	-	(4,459,310)	(941,008)
Shares issued	851,967	-	3,986,425	951,858
Total comprehensive income for the year	(57,069)	-	877,032	(99)
Distributions to equity holders	(33,531)	-	(404,147)	(10,751)
Balance at 31 December 2019	-	-	-	-

Statement of financial position

As at 31 December 2020

	Note	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Assets					
Other receivables		-	-	-	-
Total current assets		-	-	-	-
Investments	7	-	-	-	-
Total non-current assets		-	-	-	-
Total assets		-	-	-	-
Equity					
Issued capital	10	-	-	-	-
Retained earnings		-	-	-	-
Total equity		-	-	-	-
Liabilities					
Payables to Pohutukawa Private Equity Ltd	13	-	-	-	-
Loans payable to Pohutukawa Private Equity	9	-	-	-	-
Total liabilities		-	-	-	-
Total equity and liabilities		-	-	-	-

Statement of financial position

As at 31 December 2019

	Note	**Alpha 2019**	**Delta 2019**	**Zeta 2019**	**Mu 2019**
Assets					
Other receivables		-	-	-	-
Total current assets		-	-	-	-
Investments	*7*	-	-	-	-
Total non-current assets		-	-	-	-
Total assets		-	-	-	-
Equity					
Issued capital	*10*	-	-	-	-
Retained earnings		-	-	-	-
Total equity		-	-	-	-
Liabilities					
Payables to Pohutukawa Private Equity Ltd	*13*	-	-	-	-
Loans payable to Pohutukawa Private Equity	*9*	-	-	-	-
Total liabilities		-	-	-	-
Total equity and liabilities		-	-	-	-

For and on behalf of the Board

Director

23-Mar-21
Date

Director

23-Mar-21
Date

Notes to the financial statements

1 Reporting entities

The Investment Companies of Pohutukawa Private Equity Limited consist of the following 4 (2019: 4) companies, which are incorporated and domiciled in New Zealand:

Pohutukawa Alpha Investments Limited	Pohutukawa Zeta Investments Limited
Pohutukawa Delta Investments Limited	Pohutukawa Mu Investments Limited

The Companies are registered under the *Companies Act 1993* and are reporting entities for the purposes of the *Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.*

Collectively these companies are referred to throughout these financial statements as the "Companies". The Companies are equity investors in privately owned companies (referred to as The f

inancial statements were approved by the Directors on 23 March 2021.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit oriented entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The Directors have agreed to wind up the Companies as the investments held have been realised. Therefore, the going concern basis of preparing financial statements has not been applied and the financial statements have been prepared on a non-going concern basis. Considering the nature of the Companies assets and liabilities, the change in the basis of preparation did not materially impact the financial statements as at and for the year ended 31 December 2020.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is each Companies' functional currency and rounded to the nearest dollar.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 7 - Investments
- Note 11 – Financial risk management

Notes to the financial statements

3 Significant accounting policies

As stated above, the financial statements are prepared on a non-going concern basis. Accordingly, all assets and liabilities are recorded at their net realisable value or other basis as stated in the specific accounting policies. The basis of preparation and consequential impact on the specific accounting policies have been applied as at the reporting date. Comparative figures have not been restated. The change in accounting policy at reporting date has not had a material effect on the financial statements.

The Investment Companies do not have bank accounts and all receipts and payments are transacted by Pohutukawa Private Equity Limited. The Loans receivable and payable to Pohutukawa Private Equity Limited (refer notes 9 and 13) are used to record funds received or paid on behalf of the Investment Companies. Due to the fact that there are no actual cash flows, no Statement of Cash flows is presented in these financial statements. The readers of these financial statements can obtain information about the cash flows of the consolidated group by

The accounting policies have been applied consistently by each individual Investment Company.

(a) Investments in equity securities

The Companies' investments in unlisted equity securities are classified as financial assets designated at fair value through profit or loss, and presented as non-current assets in the statement of financial position. They are stated at fair value, with any resultant change in fair value recognised in the profit or loss.

Financial assets are designated at fair value through profit or loss if the Companies manage such investments and makes purchase and sale decisions based on their fair value in accordance with the Companies' investment strategy. Regular purchases and sales of investments are recognised on a trade-date basis being the date on which the Comapanies commit to purchase or sell

Investments in unlisted equity securities, which would normally be classified as investments in associates, are carried at fair value and are not equity accounted. This is due to the fact that the Companies are private equity investors and the companies are deemed to be investment entities as they invest shareholders funds solely for returns on investments from capital appreciation,

(b) Impairment

The carrying amounts of the Companies' assets, other than investments in unlisted equity securities (see accounting policy 3(a)), and deferred tax assets (see accounting policy 3(g)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed in profit or loss if there has been a change in the estimates used to determine the recoverable amount.

(c) Share capital

(i) Preference share capital

Preference share capital is classified as equity if it is non-redeemable and any dividends are discretionary, or is redeemable but only at each Companies' option. Distributions will be made by the Investment Companies once the liquidation process has begun. However, redemption of preference shares will not take place until the company is fully liquidated. Dividends on preference share capital classified as equity are recognised as distributions within equity.

(ii) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity.

(iii) Dividends

All dividends are recognised as a liability in the period in which they are declared.

(d) Loans payable

Loans payable are recognised initially at fair value net of attributable transaction costs. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the loans on an effective interest rate basis.

(e) Trade and other payables

Trade and other payables are stated at amortised cost.

Notes to the financial statements

3 Significant accounting policies (continued)

(f) Revenue

(i) Equity investments

Movements in the fair value of the Companies' investments in equity instruments are recognised in profit or loss. Dividend income is recognised in profit or loss on the date the entity's right to receive payments is established.

(ii) Interest Income

Interest income is recognised as revenue in profit or loss as it accrues, using the effective interest rate method.

(g) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect

purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(h) Goods and services tax (GST)

All amounts are shown exclusive of GST, except for receivables and payables that are stated inclusive of GST.

4 Determination of fair values

There are no longer any investments in unlisted equity securities.

5 Audit fees

Audit fees are paid on behalf of the Investment Companies by Pohutukawa Private Equity Limited.

Notes to the financial statements

6 Income tax expense

2020	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Income tax expense in statement of comprehensive income	-	-	-	-
Reconciliation of effective tax rate				
Consolidated				
Profit/(Loss) before tax	-	328,160	-	-
Income tax expense at 28% tax rate	-	91,885	-	-
Tax exempt (income)/expenditure	-	(91,885)	-	-
Prior period adjustment	-	-	-	-
Imputation credits received	-	-	-	-
	-	-	-	-
Tax (profit)/loss not recognised	-	-	-	-

2019	Alpha 2019	Delta 2019	Zeta 2019	Mu 2019
Income tax expense in statement of comprehensive income	-	-	-	-
Reconciliation of effective tax rate				
Consolidated				
Profit/(Loss) before tax	(57,069)	-	877,032	(99)
Income tax expense at 28% tax rate	(15,979)	-	245,569	(28)
Tax exempt (income)/expenditure	11,855	-	(245,569)	(11)
Prior period adjustment	-	-	-	-
Imputation credits received	-	-	-	-
	(4,124)	-	-	(40)
Tax (profit)/loss not recognised	4,124	-	-	40

2020
Imputation credits

	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Imputation credits available to shareholders of the Companies	33,632	12,761	3	1,170

2019
Imputation credits

	Alpha 2019	Delta 2019	Zeta 2019	Mu 2019
Imputation credits available to shareholders of the Companies	33,632	12,761	3	1,170

Notes to the financial statements

7 Investments

Non-current investments	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Equity securities carried at fair value	-	-	-	-

Non-current investments	Alpha 2019	Delta 2019	Zeta 2019	Mu 2019
Equity securities carried at fair value	-	-	-	-

The Companies had a number of investments in unlisted equity securities (referred to as 'Portfolio Companies'). The stated accounting policy was to carry these investments at fair value with subsequent movements in fair value recognised in profit or loss. Where there is no quoted market price for these securities, valuation techniques must be utilised to determine fair value. The valuations are carried out by Direct Capital Management Limited (formerly Direct Capital Limited) using IPEV guidelines which also ensures compliance with NZ IFRS 13.

As investments in equity securities were carried at fair value, the results and net assets of the Portfolio Companies are not recognised in these financial statements.

8 Deferred tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the the following items:

	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Opening balance 1 January 2020	21,968	217,267	240,940	83,656
Tax (profit)/loss not recognised	-	-	-	-
Tax losses foregone	-	-	-	-
Closing balance 31 December 2020	21,968	217,267	240,940	83,656

	Alpha 2019	Delta 2019	Zeta 2019	Mu 2019
Opening balance 1 January 2019	17,844	217,267	240,940	83,616
Tax (profit)/loss not recognised	4,124	-	-	40
Tax losses foregone	-	-	-	-
Closing balance 31 December 2019	21,968	217,267	240,940	83,656

Tax losses do not expire, subject to shareholder continuity rules being met. Deferred tax assets have not been recognised in respect of these items because it is uncertain that future taxable profit will be available against which the Companies can utilise the benefit.

9 Loans payable to Pohutukakawa Private Equity Limited

The loans payable to Pohutukawa Private Equity Limited have all be settled, there are no further outstanding balances at 31 December 2020. (2019: $Nil)

Notes to the financial statements

10 Share capital

	Alpha 2020	Delta 2020	Zeta 2020	Mu 2020
Preference shares *(in millions of shares)*				
On issue at beginning of year	53	53	53	53
Redeemed during year	-	-	-	-
On issue at end of year	53	53	53	53
Ordinary shares				
On issue at beginning of year	100	100	100	100
Redeemed during year	-	-	-	-
On issue at end of year	100	100	100	100

	Alpha 2019	Delta 2019	Zeta 2019	Mu 2019
Preference shares *(in millions of shares)*				
On issue at beginning and end of year	53	53	53	53
Ordinary shares				
On issue at beginning and end of year	100	100	100	100

At 31 December 2020, each Investment Company's authorised share capital comprised 100 ordinary shares (2019: 100), and 53,000,000 preference shares (2019: 53,000,000). No class of share has a par value and both have been allotted at nil value.
Pohutukawa I Investment Holdings LP is a related party which holds the ordinary shares in the Companies. Preference shares are held by investors as part of a package of stapled securities as

For every preference share held in the Companies, investors also hold 100 preference shares and one ordinary share in Pohutukawa Private Equity Limited. Each of these shares are stapled

Ordinary shares have full voting rights. Preference shares have no voting rights, nor allow any participation in any meeting of the Companies. Ordinary and preference shares in the Companies are entitled to distributions of capital or income or both in accordance with the Constitutions of the Companies.

11 Financial risk management

Introduction and overview

The Companies have exposure to the following risks from its use of financial instruments:
- equity price risk
- liquidity risk

Equity price risk

The Companies have policies in place to mitigate equity price risk, particularly in its investments. This includes detailed analysis of prospective equity investments.

Investments in unlisted equity securities are, by their nature, less liquid and subject to greater equity price risk than listed securities.

Liquidity risk

Liquidity risk represents the Companies ability to meet their contractual obligations. The Companies evaluate their liquidity requirements on an ongoing basis and maintain sufficient cash to meet all obligations. The investment companies have no bank account, and are effectively funded through Pohutukawa Private Equity Limited until the investment is realised.

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Notes to the financial statements

11 Financial risk management continued

Unlisted equity securities

In the year of acquisition, fair value is determined by Directors' valuation. For each subsequent annual reporting date, fair value is determined by reference to a valuation carried out in

Capital management

The Companies' capital includes share capital and retained earnings.

The Companies' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to repay capital as investments are realised. The Companies have the power to borrow with prior written approval from the Board.

The Companies policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Companies management of capital during the period.

Classification and fair values

The carrying value of financial instruments in the statement of financial position is equal to their fair value.

Receivables are classified as 'loans and receivables'. Investments are classified as 'at fair value through profit and loss'. Loans from Pohutukawa Private Equity Limited and payables are classified

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices inlcuded 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: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

2020	Level 1	Level 2	Level 3	Total
Investments in unlisted equity securities:				
Alpha	-	-	-	-
Mu	-	-	-	-

2019	Level 1	Level 2	Level 3	Total
Investments in unlisted equity securities:				
Alpha	-	-	-	-
Mu	-	-	-	-

There have been no transfers between levels in either direction during the year.

Notes to the financial statements

11 Financial risk management (continued)

The following table shows reconciliation from the beginning balance to the ending balance for fair value measurements in Level 3 of the fair value hierarchy:

Investments	Alpha 2020	Alpha 2019	Delta 2020	Delta 2019	Zeta 2020	Zeta 2019	Mu 2020	Mu 2019
Opening balance	-	25,299	-	-	-	-	-	119,217
Total gains or (losses):	-	-	-	-	-	-	-	-
In profit or loss	-	(42,339)	-	-	-	877,032	-	41
Investments	-	-	-	-	-	-	-	-
Divestments	-	17,040	-	-	-	(877,032)	-	(119,258)
Closing balance	-	-	-	-	-	-	-	-

Total gains or (losses) included in profit or loss for the year in the above table are presented in the statement of comprehensive income as follows:

Investments	Alpha 2020	Alpha 2019	Delta 2020	Delta 2019	Zeta 2020	Zeta 2019	Mu 2020	Mu 2019
Total gains or (losses) included in profit or loss for the year	-	(42,339)	328,160	-	-	877,032	-	41
Total gains or (losses) for the year included in profit or loss for assets held at the end of the reporting period	-	-	-	-	-	-	-	-

Although the Companies believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

12 Capital commitments

Pohutukawa Private Equity Limited has no capital commitments.

13 Related parties

Identity of related parties

Craigs Investment Partners Limited and Direct Capital Management Limited own 50% each of Pohutukawa Management Limited, the Manager of Pohutukawa Private Equity Limited. Craigs Investment Partners Limited and Direct Capital III Investment Partners LP are partners in Pohutukawa I Investment Holdings LP which is the holder of ordinary shares in the Investment Companies. The Companies have a related party relationship with Pohutukawa Private Equity Limited. Administration expenses are paid by Pohutukawa Private Equity Limited on behalf of the Companies. Pohutukawa Mu Investments Limited reimbursed expenses of $139 during 2019. Certain directors of the Investments Companies are also directors of Craigs Investment Partners

Direct Capital Management Limited (formerly Direct Capital Limited) employees are responsible for preparing valuations of investments.

Transactions with key management personnel

During the year there were no transactions with key management personnel (2019: $nil)

14 Subsequent events

There were no material subsequent events.