Annual Report

For the Year Ended 31 December 2020

Pohutukawa

PRIVATE EQUITY II LIMITED

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Report to Shareholders

April 2021

Dear Shareholder

We are pleased to provide Shareholders with the annual report for the year to 31 December 2020. The report includes the audited financial statements for the financial year ended 31 December 2020.

Pohutukawa II Fund

The Pohutukawa II offer raised $82.5 million of Committed Capital in February 2009. Pohutukawa II co-invests with the Direct Capital IV which together total $325 million. Pohutukawa II has called $51.15 million. On 18 December 2014 the Board decided to cap the maximum amount of capital to be called at 80 cents per share (cps), i.e. a reduction of 20 cps in total committed capital. Shareholders have contributed capital of 62 cps and it is unlikely that any further calls will be required.

Portfolio Company Investments

Pohutukawa II has two remaining investments at 31 December 2020. The portfolio companies performed above expectations.

- *Bayley Corporation*

In March 2020 Pohutukawa II and Direct Capital IV realised the majority of its shareholding to parties associated with Bayleys including existing and new executive shareholders and franchise owners, with $5.0 million of capital proceeds being advanced back to Bayleys as an interest bearing loan.

Direct Capital IV and Pohutukawa II retain a combined 4.7% shareholding in Bayleys. In March 2021, (subsequent to the reporting period) Bayleys repaid the $5.0 million shareholder loan. The Manager maintains a representative on the board of Bayleys.

Bayleys was significantly impacted by the Covid-19 prompted lockdowns, particularly in April 2020, but rebounded well in the second half to record a strong result for the full calendar year.

- *PF Olsen*

Performance was above expectation for the financial year ending 31 December 2020 despite the impact from Covid-19, driven by strong forestry management and planting activity and a recovery in log prices in the second half of the year.

- *George H Investments*

George H Investments was fully realised in 2020 and final capital proceeds were distributed to Pohutukawa II shareholders in December 2020.

Distributions to Shareholders

Pohutukawa II has to date made gross distributions totalling $1.10 per share. Your shares are paid to 62 cps. The Fund's last distribution was for 0.77cps paid on 21 December 2020. Shareholders received gross distributions totalling 6.8 cps for this financial year.

The estimated total gross return to Investors at 31 December 2020 was $1.17 per share compared to $0.62 per share in Contributed Capital.

Portfolio Company Investment Revaluations

The Manager re-values the portfolio company investments each quarter using the International Private Equity & Venture Capital valuation guidelines. The portfolio fair value at 31 December 2020 was $5.4 million.

Financial Position 31 December 2020

Pohutukawa II had 82.5 million stapled securities on issue, paid to 62cps.

Shareholder' funds were $5.2 million, equivalent to a net asset backing of 6.3 cps.

The profit for the year was $360,473. Administration expenses were $540,728, (2019: $783,728).

Report to Shareholders

From 1 July 2020 the investment manager recognising the reduced portfolio agreed to a 50% reduction in the management fees.

Annual Shareholders Meeting

The Annual Shareholders Meeting details for Pohutukawa Private Equity are as follows:

Date: **Tuesday, 25 May 2021**

Time: **2.30pm**

Place: **Craigs Investment Partners Limited, Level 36, Vero Centre, 48 Shortland Street, Auckland and via conference call/video conference***

RSVP: **14 May 2021. Contact Peter Lalor on 07 927 7927 or enquiries@pohutukawafund.co.nz**

*Please see the Notice of ASM for details. We will also include ASM details on the Pohutukawa website – www.pohutukawafund.co.nz

As with previous years the ASM will be held in conjunction with the Pohutukawa V & VI ASM.

We look forward to seeing you at the meetings.

Thank you for your ongoing support of Pohutukawa Private Equity II.

If you have any queries regarding your investment in Pohutukawa II, please call your Investment Adviser or Peter Lalor at Pohutukawa Management on 07 927 7927.

We will keep you informed on portfolio developments via the Pohutukawa website **www.pohutukawafund.co.nz**.

Yours sincerely
POHUTUKAWA PRIVATE EQUITY II LIMITED

John McDonald
Chair

Manager's Report on Portfolio Companies

The Manager is pleased to report on a successful portfolio performance for the year ended 31 December 2020.

2020 was positive for the portfolio which saw the final realisation of the assets of George H Investments marking the conclusion to the successful Scales investment made in July 2011. The fund also realised 86% of its interest in Bayleys. Together with distribution of accumulated imputed dividends, and capital, Pohutukawa II shareholders received gross distributions totalling 6.8 cps during the year.

Pohutukawa II has now distributed gross proceeds of $1.10 per share, well in excess of the 62cps capital contribution, a very pleasing result for the fund.

Some of the key developments or initiatives in the portfolio companies include:

- *Bayleys* – Pohutukawa II realised the bulk of its investment in Bayleys during the year
- *PF Olsen* - the company is actively considering strategic alternatives; and
- *George H Investments* – final liquidation proceeds received in November 2020.

Please see the company summaries on each of the remaining portfolio companies that follow.

Manager's Report on Portfolio Companies

BAYLEY CORPORATION LIMITED

www.bayleys.co.nz

Date of Investment	Industry Sector	Stage	Original Investment Cost $000	Shareholding %
June 2010	Real Estate	Expansion/ succession	$3,575	1.12*

* Total shareholding managed by Direct Capital 4.7%

Background

Bayleys is a property services company operating nationally from both corporate owned and franchise offices and has a leading position in the marketing of commercial, industrial, and rural properties, and high-value residential property sales. In addition to real estate agency, Bayleys offers facilities and asset management, valuation, leasing, research and advisory services.

Performance

Bayleys was significantly impacted by the Covid-19 prompted lockdowns, particularly in April 2020, but rebounded well in the second half to record a strong result for the full calendar year. In March 2020 Pohutukawa II realised the majority of its shareholding to parties associated with Bayleys including existing and new executive shareholders and franchise owners. Direct Capital IV and Pohutukawa II retains a 4.7% shareholding in Bayleys. A $5m shareholder loan (across both Direct Capital IV and Pohutukawa II) was advanced to Bayleys at the time this transaction was settled, but this was repaid in March 2021 (subsequent to the reporting period). The Manager continues to have a Director on the board of Bayleys.

Outlook

Bayleys is experiencing high levels of activity which is reflective of current momentum in the wider New Zealand real estate market. Although recent government action is expected to slow investor demand for existing residential dwellings, Bayleys are seeing the build-to-rent asset class gain increasing attention in New Zealand, as demand for long-term rental stock outpaces supply.

Manager's Report on Portfolio Companies

PF OLSEN GROUP LIMITED

www.pfolsen.co.nz

Date of Investment	Industry Sector	Stage	Original Investment Cost $000	Shareholding %
September 2011	Agri-Services	Buyout	$2,581	9.5*

* Total shareholding managed by Direct Capital 40.0%

Background

PF Olsen is Australasia's largest independent forestry and rural asset manager.

Performance

Performance in 2020 was a tale of two halves, with the first six months materially impacted by Covid-19, initially in January/February due to shutdowns in China and subsequently from the lockdown restrictions imposed in New Zealand. Log prices saw declines which resulted in lower harvesting activity than expected. In the second half of the year log prices recovered and forestry management and planting activities performed strongly, helping to offset the negative impact of Covid-19 in the first half of the year. Financial performance in 2020 was above expectation as a result.

Outlook

Demand for New Zealand export logs is expected to remain strong as China continues to stimulate their economy. With domestic demand for logs also healthy, the expectation is that log prices will continue to remain above long-term averages and therefore supportive of higher harvesting activities. Combined with strong demand for planting services, management expect financial performance in 2021 will exceed 2020.

Directors' Report

For the year ended 31 December 2020

The following table shows Directors holding office during the year, and the amount of director fees paid during the year.

	Directors Fees $	Date of appointment
J McDonald	15,000	04-Nov-08
M Prendergast*	7,500	19-Nov-08
M Caird*	3,125	27-Sept-13
N J Craig**	3,125	19-Nov-08
Total for the quarter	28,750	

**Resigned May 2020*
***Director fees ceased 31 March 2020*

Entries recorded in the interests register

The entries shown in the table below were recorded in the interests register of the company during the year.

Directors' shareholdings and dealings in Pohutukawa II at 31 December 2020
The directors of Pohutukawa II also have co-investment rights in all Pohutukawa II investments. Holdings (including relevant interests) are as follows:

Pohutukawa II Director Investment Disclosure 31 December 2020 (Directors holding office at 31 December 2020)		
Investment Holding	**J McDonald**	**N Craig**
	No. Securities	**No. Securities**
Pohutukawa II	100,000	110,000
Bayley Corporation Ltd	705	438
PF Olsen Group Ltd	2,196	977

Director

23 March 2021

Date

Director

23 March 2021

Date

Statement of comprehensive income

For the year ended 31 December 2020

	Note	2020	2019
Interest income		19,740	33,422
Dividend income		259,864	1,054,958
Change in fair value of investments		638,011	(794,713)
Gain on realisation of investments	*8(d)*	71,201	9,675
Movement in earnout provision	*14*	(87,615)	96,440
Administrative expenses	*5*	(540,728)	(783,728)
Profit before tax		360,473	(383,946)
Income tax expense	*6*	-	-
Profit for the year		360,473	(383,946)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		360,473	(383,946)
Attributable to:			
Equity holders of the parent		(466,788)	(327,962)
Equity holders of the investment companies	*3a(iv)*	827,261	(55,984)
Profit and total comprehensive income for the year attributable to the equity holders of stapled securities		360,473	(383,946)

Statement of changes in equity

For the year ended 31 December 2020

	Note	Attributable to equity holders of the parent: Share capital	Retained losses	Total	Attributable to equity holders of the investment companies	Total equity
Balance at 1 January 2020		25,321,331	(15,736,881)	9,584,450	806,045	10,390,495
Total comprehensive income for the year		-	(466,788)	(466,788)	827,261	360,473
Redemption of share capital	*12*	(4,826,742)	-	(4,826,742)	-	(4,826,742)
Distributions to equity holders	*12*	-	-	-	(684,623)	(684,623)
Balance at 31 December 2020		20,494,589	(16,203,669)	4,290,920	948,683	5,239,603
Balance at 1 January 2019		25,913,910	(15,408,919)	10,504,991	2,249,450	12,754,441
Total comprehensive income for the year		-	(327,962)	(327,962)	(55,984)	(383,946)
Redemption of share capital	*12*	(592,579)	-	(592,579)	-	(592,579)
Distributions to equity holders	*12*	-	-	-	(1,387,421)	(1,387,421)
Balance at 31 December 2019		25,321,331	(15,736,881)	9,584,450	806,045	10,390,495

Statement of financial position

As at 31 December 2020

	Note	2020	2019
Assets			
Cash and cash equivalents	*11*	53,407	243,951
Receivables and prepayments	*9*	19,473	8,882
Loans and receivables	*7*	1,191,555	-
Total current assets		1,264,435	252,833
Investments – equity securities	*8(c)*	5,422,344	12,794,490
Total non-current assets		5,422,344	12,794,490
Total assets		6,686,779	13,047,323
Equity			
Issued capital	*12*	20,494,589	25,321,331
Retained losses		(16,203,669)	(15,736,881)
Total equity attributable to equity holders of the parent		4,290,920	9,584,450
Equity attributable to equity holders of the investment companies	*3a(iv)*	948,683	806,045
Total equity attributable to equity holders of stapled securities		5,239,603	10,390,495
Liabilities			
Trade and other payables	*13*	140,231	59,656
Earnout provision	*14*	278,313	-
Total current liabilities		418,544	59,656
Earnout provision	*14*	1,028,632	2,597,172
Total non-current liabilities		1,028,632	2,597,172
Total liabilities		1,447,176	2,656,828
Total equity and liabilities		6,686,779	13,047,323

For and on behalf of the Board

Director

23 March 2021

Date

Director

23 March 2021

Date

Statement of cash flows

For year ended 31 December 2020

	Note	2020	2019
Cash flows from/(to) operating activities			
Dividends received		259,864	1,054,958
Interest received		7,726	38,669
Interest paid		(29)	-
Cash paid to suppliers		(458,701)	(775,179)
Distribution of earnout	*14*	(1,377,842)	(495,000)
Net cash from/(to) operating activities	*15*	(1,568,982)	(176,552)
Cash flows from /(to) investing activities			
Acquisition of investments		-	(105,242)
Realisations from investments		6,889,803	1,323,038
Net cash from investing activities		6,889,803	1,217,796
Cash flows from /(to) financing activities			
Redemption of preference shares	*12*	(4,826,742)	(592,579)
Distributions to equity holders	*12*	(684,623)	(1,387,421)
Net cash from/(to) financing activities		(5,511,365)	(1,980,000)
Net movement in cash and cash equivalents		(190,544)	(938,756)
Cash and cash equivalents at 1 January		243,951	1,182,707
Cash and cash equivalents at 31 December	*11*	53,407	243,951

Notes to the consolidated financial statements

1. Reporting entity

Pohutukawa Private Equity II Limited (the "Company") is a company incorporated and domiciled in New Zealand. Pohutukawa Private Equity II Limited and the 11 (2019: 12) Investment Companies, refer Note 19, 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*.

The consolidated financial statements of the Group for the year ended 31 December 2020 comprise the Company and 11 (2019: 12) Investment Companies (together referred to as the "Group").

Pohutukawa Private Equity II Limited is primarily involved in private equity investment made through the Investment Companies.

The financial statements were approved by the Directors on 23 March 2021.

2. Basis of preparation

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The 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 financial statements are prepared on the historical cost basis except that certain financial instruments are stated at their fair value.

(c) Functional and presentation currency

The financial statements are presented in New Zealand dollars, which is the Company's 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 8 – Investments – equity securities
- Note 14 – Earnout provision
- Note 16 – Financial risk management

3. Significant accounting policies

The accounting policies set out below have been applied consistently by all Group entities to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

(i) Stapled securities

For every ordinary share held in Pohutukawa Private Equity II Limited, investors also hold 100 preference shares in Pohutukawa Private Equity II Limited as well as one preference share in each of the 11 (2019: 12) Investment Companies. All of these shares are stapled securities. This stapling arrangement creates a business combination by contract alone without any individual entity obtaining an ownership interest. The Group has designated Pohutukawa Private Equity II Limited as the acquirer and the parent entity

Notes to the consolidated financial statements

3. Significant accounting policies *(continued)*

(i) Stapled securities (continued)

for the purpose of preparing consolidated financial statements. The 11 (2019: 12) companies combining under the stapling arrangement are designated as the Investment Companies, refer Note 19, which invest in Portfolio Companies, refer Note 8.

The Group and Investment Companies are deemed to be Investment Entities as they invest shareholder's funds solely for returns on investments from capital appreciation, interest and dividends.

(ii) Associates

Investments in equity securities, which would normally be classified as investments in unlisted associates, are carried at fair value in the consolidated financial statements and are not equity accounted (see accounting policy 3(b)). This is due to the fact that the parent and group are private equity investors.

(iii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

(iv) Equity attributable to equity holders of the investment companies

Equity attributable to equity holders of the investment companies refers to the equity of the Investment Companies, as this is owned directly by shareholders of the parent and the Manager, and not by the parent company itself. These are considered non-controlling interests and are attributable to the parent company shareholders as a result of their direct investment in the preference shares of the Investment Companies and to the Manager as a result of its ownership of the ordinary shares in the Investment Companies.

(b) Investments in equity securities

The Group's investments in equity securities are financial assets designated at fair value through profit or loss, as they are managed by the Group on a fair value basis. They are presented as non-current assets in the statement of financial position and are stated at fair value, with any resultant change in fair value recognised in profit or loss.

Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Groups investment strategy. Regular purchases and sales of investments are recognised on a trade-date basis, being the date on which the Group commits to purchase or sell the asset.

(c) Loans receivable

Loans receivable are recognised initially at fair value plus any directly attributable transaction costs (if any). Subsequent to initial recognition they are stated at amortised cost less impairment losses, if any (see accounting policy 3(f)).

(d) Finance expense - interest

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and are recognised and measured at cost. Cash excludes short-term deposits that are not used as part of the Group's day-to-day cash management.

(f) Impairment

The carrying amounts of the Group's assets, other than investments in unlisted equity securities (see accounting policy 3(b)), and deferred tax assets (see accounting policy 3(j)), 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 based on the present value of estimated future cash flows, discounted at the original effective interest rate.

An impairment loss is recognised whenever the carrying amount of an asset 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.

Notes to the consolidated financial statements

3. Significant accounting policies *(continued)*

(g) Share capital

(i) Ordinary share capital

Share capital is recognised as paid in capital when a call has been made to shareholders, and is due. Calls are made in tranches of $0.05 per share.

(ii) 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 the Company's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

(iii) 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.

(iv) Dividends

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

(h) Trade and other payables

Trade and other payables are stated at amortised cost.

(i) Revenue

(i) Equity investments

Movements in the fair value of the Group's 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.

(j) 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 equity, in which case it is recognised in other comprehensive income.

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 of previous years.

Deferred tax is calculated providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. 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.

4. Determination of fair values

Investments in unlisted equity securities are valued at the Investment Managers' valuation in the year of acquisition and subsequently by annual valuations carried out in accordance with the valuation principles set out by The International Private Equity and Venture Capital Association Limited (IPEV) which also ensures compliance with NZ IFRS 13 – Fair Value Measurement. Valuations are performed by Direct Capital IV Management Limited (see Note 8). These valuations require the use of significant judgement by the directors regarding estimated future earnings of the investments, and the use of appropriate earnings multipliers in determining the fair value of investments when no other observable inputs are available to the directors.

Notes to the consolidated financial statements

5. Administrative expenses

	Note	2020	2019
Management fees	*17(b)*	386,779	602,256
Directors' fees	*17(c)*	85,000	85,000
Other administrative expenses		68,949	96,472
		540,728	783,728

The following items of expenditure are included in administrative expenses:

Auditor's remuneration to KPMG comprises:		
Audit of financial statements	17,775	26,950
Review of interim financial statements	5,250	5,250
	23,025	32,200

6. Income tax expense

	Note	2020	2019
Income tax expense in statement of comprehensive income		-	-

Reconciliation of effective tax rate

		2020	2019
Profit/(loss) before tax		360,473	(383,946)
Income tax expense at 28% tax rate		100,932	(107,505)
Non-deductible expenses		24,532	275,430
Non-assessable income		(198,579)	(78,453)
Imputation credits received		(72,762)	(295,388)
Tax losses not recognised	*10*	145,877	205,916
Total income tax expense in statement of comprehensive income		-	-

Imputation credits

	2020	2019
Imputation credits available to shareholders of the parent company:		
Through investment companies	13,064	4,359
	13,064	4,359

Notes to the consolidated financial statements

7. Loans to portfolio companies

	2020	2019
Bayley Corporation Limited	1,191,555	-
	1,191,555	-

This unsecured loan arose from the partial realisation of the Direct Capital investment and is interest bearing at 4% p.a. for the first twelve months and 5% p.a. thereafter and repayable by 30 September 2021. Due to Covid-19 disruption, it was agreed interest is not payable on the loan for the initial period to 30 September 2020. Interest on the loan commenced from 1 October 2020.

8. Investments – equity securities

Non-current investments

The Group has two investments in unlisted equity securities (2019: three). The performance of these securities is actively monitored, and group policy is to carry these investments initially at cost with subsequent movements in fair value recognised through 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 IV Management Limited (see Note 16) using IPEV valuation guidelines which also ensures compliance with NZ IFRS 13.

The valuation techniques utilised include the use of market-based earnings multiples and a downward adjustment factor of up to 20% for privately owned investments.

The following table lists the investments held at the end of the reporting period and the underlying cost of the initial acquisition. The difference between the cost and the carrying value in the statement of financial position is shown as a fair value movement through profit or loss.

2020

Entity name	Activities	Acquisition date	Cost
Bayley Corporation Limited	Real Estate Services	Jun 2010	999,017
PF Olsen Group Limited	Forestry management	Sept 2011	2,580,878
			3,579,895

2019

Entity name	Activities	Acquisition date	Cost
Bayley Corporation Limited	Real Estate Services	Jun 2010	3,574,666
George H Investments Limited	Property investor	Jul 2011	418,789
PF Olsen Group Limited	Forestry management	Sept 2011	2,580,878
			6,574,333

Notes to the consolidated financial statements

8. Investments – equity securities *(continued)*

(a) 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 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2020	Level 1	Level 2	Level 3	Total
Investments in unlisted equity securities	-	-	5,422,344	5,422,344

31 December 2019	Level 1	Level 2	Level 3	Total
Investments in unlisted equity securities	-	-	12,794,490	12,794,490

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	2020	2019
Opening balance	12,794,490	14,582,837
Total gains:		
In profit or loss (realised and unrealised)	709,212	(785,038)
Investments at cost during the year	-	105,242
Capital returns	(8,081,358)	(1,108,551)
Closing balance	5,422,344	12,794,490

Total gains included in the above table are presented in the statement of comprehensive income as follows:

Investments	2020	2019
Total gains/(losses) included in profit or loss for the year	709,212	(785,038)
Total gains/(losses) for the year included in profit or loss for assets held at the end of the reporting period	638,011	(794,713)

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. Refer Note 8(b) for sensitivity analysis with regards to the earnings multiple or adjustment factor.

Notes to the consolidated financial statements

8. Investments – equity securities *(continued)*

(b) Sensitivity Analysis

A movement of 0.2 in the earnings multiples applied to the investments carried at fair value changes the value of the investments by $150,836 (2019: $337,592). A movement in the downward adjustment factor of 5% changes the value of the investments by $285,201 (2019: $710,292). A movement in the maintainable earnings of 5% changes the value of the investments by $228,161 (2019: $603,250).

(c) Fair value of investments

The fair value of the total investment portfolio as at 31 December 2020 was $5,422,344 (2019: $12,794,490).

(d) Gain on realisation of investments

The final proceeds were received for the realisation of Cavalier Wool Holdings Limited in the year ended 31 December 2020 resulting in a gain of $8,477 (2019: gain on disposal of $9,468), and for the sale of George H Investments Limited resulting in a realised gain of $62,725. (Realisation of Hiway Group Limited in 2019: realised gains of $207). These have been recognised in profit or loss.

9. Receivables and prepayments

	2020	2019
GST receivable	3,338	1,777
Prepayments	4,121	7,105
Interest receivable	12,014	-
	19,473	8,882

As at 31 December 2020, no receivables are considered past due (2019: $Nil).

Notes to the consolidated financial statements

10. Deferred tax assets and liabilities

Unrecognised deferred tax assets

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

	Note	2020	2019
Opening balance 1 January		4,219,531	4,500,387
Tax losses not recognised	6	145,877	205,916
Prior period adjustments		2,085	(486,772)
Closing balance 31 December		4,367,493	4,219,531

Due to the nature of the stapled securities, and the fact that ordinary shares in the Investment Companies are owned by Pohutukawa II Investment Holdings LP, there is no ability to offset losses between the Parent (Pohutukawa Private Equity II Limited) and the Investment Companies.

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 not certain that future taxable profit will be available against which the Group can utilise the benefit.

Investment Companies taxation losses cannot be used by the parent.

11. Cash and cash equivalents

	2020	2019
Call deposits	53,407	243,951
Short-term deposits	-	-
Cash and cash equivalents in the statement of cash flows	53,407	243,951

Call deposits and short-term deposits are held with ANZ Bank New Zealand Limited via CIP Cash Management Nominees Limited. The weighted average interest rate for 2020 on call deposits was 0.90% (2019: 1.90%) and short-term deposits was not applicable (2019: 3.00%).

Notes to the consolidated financial statements

12. Share capital

Share capital

	Investment Co's Preference shares		PPE II Ordinary shares		PPE II Preference shares	
In millions of shares	2020	2019	2020	2019	2020	2019
On issue at 1 January	990	990	82.5	82.5	5,668	5,727
Cancellation of shares	(83)	-	-	-	-	-
Redemption of shares	-	-	-	-	(483)	(59)
On issue at 31 December	907	990	82.5	82.5	5,185	5,668

Preference shares are only redeemable at the option of the issuer.

At 31 December 2020, the share capital of the Company comprised 82,500,000 ordinary shares (2019: 82,500,000), and 5,185,267,900 preference shares (2019: 5,667,942,000). In addition, there are 907,500,000 (2019: 990,000,000) preference shares in the 11 (2019: 12) Investment Companies (82,500,000 in each).

Ordinary shares and Investment Company preference shares have been allotted at nil value. The Pohutukawa Private Equity II Limited shares (stapled shares) have been issued at $1.00 per share, paid to $0.62. During the year there were no calls (2019: $Nil). Subsequent calls will be in tranches of a minimum of $0.05 per share and subject to 30 days advance notice.

The prospectus states that any residual balance up to the $1.00 per share price will become payable in full on the fifth anniversary of allotment, however on 18 December 2014 the directors notified shareholders that the maximum amount to be called is now capped at $0.80.

Following the $0.80 cap announcement in December 2014, shareholders have a commitment to fund a further $0.18 per share totalling $14.85 million (2019: $0.18 per share totalling $14.85 million) in subsequent calls, subject to Board approval. Calls will not be made unless the proceeds of all previous calls have been invested or committed in full.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. Distributions of $684,623 ($0.008 per share) were declared during the year by companies within the Group (2019: $1,387,421, $0.017 per share). All ordinary shares rank equally with regard to the Company's residual assets. Holders of the Company preference shares do not have an entitlement to vote, and are not entitled to participate in distribution of income, but are entitled to $0.01 per preference share upon redemption by the Company at the Company's option. Preference shareholders in the Investment Companies do not have an entitlement to vote, but are entitled to receive distributions of capital and/or income as prescribed in the Investment Companies' constitutions.

Pohutukawa II Investment Holdings LP is a related party which holds 100 ordinary shares in each of the Investment Companies.

Notes to the consolidated financial statements

13. Trade and other payables

	2020	2019
Audit fees payable	16,500	25,500
Trade payables and accrued expenses	123,731	34,156
	140,231	59,656

14. Earnout Provision

	2020	2019
Opening provision	2,597,172	3,188,612
Movements during the year	87,615	(96,440)
Distribution of earnout during the period	(1,377,842)	(495,000)
Closing earnout provision	1,306,945	2,597,172

In accordance with clause 10 of the Prospectus the Earnout holder is entitled to earnout calculated at 20% of net returns to Pohutukawa Private Equity II Limited provided investors have received back their original investment together with further distributions producing a pre-tax compound hurdle rate of 8.0% per annum on Called Capital. As at 31 December 2020 the estimated earnout provision is calculated at $1,306,945 (2019: $2,597,172). This calculation is based on unrealised portfolio company fair value valuations of $5,422,344 (2019: $12,794,490) and a loan receivable of $1,191,555 (2019: $Nil) being fully recovered. During the year ended 31 December 2020 $1,377,842 (2019: $495,000) of earnout has been distributed to the Earnout holder.

15. Reconciliation of profit after taxation to the net cash flow from operating activities

	Note	2020	2019
Profit/(loss) for the year		360,473	(383,946)
Adjustments for:			
Change in fair value of investments		(638,011)	794,713
Net gain on realisation of investment		(71,201)	(9,675)
Change in trade and other receivables		(10,591)	13,521
Change in trade payables and accruals		80,575	275
Change in earnout provision	*14*	(1,290,227)	(591,440)
Net cash flow to/(from) operating activities		(1,568,982)	(176,552)

Notes to the consolidated financial statements

16. Financial risk management

Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- equity price risk
- credit risk
- interest rate risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Equity price risk

The Group has 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.

Credit risk

Exposure to credit risk arises in the normal course of the Group's business from its loans and receivables and bank balances. The Group does not require collateral in respect of financial assets. At the end of the reporting period there were no significant concentrations of credit risk.

The Group invests its surplus funds in short-term deposits with ANZ Bank New Zealand Limited via CIP Cash Management Nominees Limited (refer Note 17). The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the statement of financial position.

Interest rate risk

Exposure to interest rate risk arises in the normal course of the Group's business from bank accounts and short-term deposits. Management invests excess funds in short-term deposits to maximise interest revenue whilst ensuring funds are available if required.

Effective interest rates and repricing

The only interest bearing financial assets in the Group are bank balances and short-term deposits. At the end of the reporting period the effective interest rates for bank balances are 0.25% (2019: 1.70%) and there are no short-term deposits (2019: none). Bank balances reprice daily.

Liquidity risk

Liquidity risk represents the Group's ability to meet its contractual obligations to settle its financial liabilities when due. The Group evaluates its liquidity requirements on an ongoing basis, and maintains sufficient cash to meet all obligations. Investments in unlisted equity securities are, by their nature, less liquid.

Notes to the consolidated financial statements

16. Financial risk management *(continued)*

Expected credit loss

A provision for expected credit losses is established when the assessment under NZ IFRS 9 deems a provision is required. The Group has determined the expected credit losses (ECLs) to be nil on the loan receivable. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows the Group expects to receive, discounted using the effective interest rate. The assumption has been taken that the credit risk on the receivable has not increased significantly since initial recognition given the counterparties low credit risk as at 31 December 2020.

Interest rate risk – repricing analysis

	Note	Total	Non interest bearing	6 months or less
2020				
Cash and cash equivalents	*11*	53,407	-	53,407
Loans and receivables		1,191,555	1,191,555	-
Total		1,244,962	1,191,555	53,407
2019				
Cash and cash equivalents	*11*	243,951	-	243,951
Total		243,951	-	243,951

Sensitivity analysis

The sensitivity of interest rate movements has an immaterial impact on the financial statements of the Group.

Capital management

The Group's capital includes share capital and retained earnings.

The Group's policy is to maintain its capital structure in terms of the prospectus and repay capital as investments are realised. As disclosed in Note 12, $0.62 per share has been paid on the capped $0.80 per share (2019: $0.80 per share). The remaining $0.18 (2019: $0.18) will be called as required in accordance with the terms of the prospectus (See Note 12 on call extension).

The Group is not subject to any externally imposed capital requirements.

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

There have been no material changes in the Group's management of capital during the year.

Notes to the consolidated financial statements

16. Financial risk management *(continued)*

Classification and fair values

	Note	Fair value through profit of loss	Amortised cost	Total carrying amount	Fair value
2020					
Assets					
Cash and cash equivalents	*11*	-	53,407	53,407	53,407
Receivables	*9*	-	1,206,907	1,206,907	1,206,907
Investments – unlisted equity securities	*8(c)*	5,422,344	-	5,422,344	5,422,344
Total assets		5,422,344	1,260,314	6,682,658	6,682,658
Liabilities					
Trade and other payables	*13*	-	140,231	140,231	140,231
Total liabilities		-	140,231	140,231	140,231

	Note	Fair value through profit of loss	Amortised cost	Total carrying amount	Fair value
2019					
Assets					
Cash and cash equivalents	*11*	-	243,951	243,951	243,951
Receivables	*9*	-	1,777	1,777	1,777
Investments – unlisted equity securities	*8(c)*	12,794,490	-	12,794,490	12,794,490
Total assets		12,794,490	245,728	13,040,218	13,040,218
Liabilities					
Trade and other payables	*13*	-	59,656	59,656	59,656
Total liabilities		-	59,656	59,656	59,656

Notes to the consolidated financial statements

17. Related parties

a) Identity of related parties

The Company has a related party relationship with its Investment Companies (see Note 19).

Craigs Investment Partners Limited, as the administration manager, and Direct Capital IV Management Limited, as the investment manager, own 50% each of Pohutukawa II Management Limited, the Manager of Pohutukawa Private Equity II Limited. Craigs Investment Partners Limited and Direct Capital IV Investment Partners LP are limited partners in Pohutukawa II Investment Holdings LP which is the holder of the ordinary shares in the Investment Companies. Certain directors of the Company and the Investment Companies are also directors of Craigs Investment Partners Limited. Certain directors of the Investment Companies are also directors of Direct Capital IV Management Limited.

Direct Capital IV Management Limited is responsible for preparing valuations of investments.

b) Transactions with related parties

During the year, Pohutukawa Private Equity II Limited entered into the following transactions with related parties:

- Management fees paid to Pohutukawa II Management Limited totalled $386,779 (2019: $602,256).
- Call deposits of $53,407 (2019: $243,951) and short-term deposits of $Nil (2019: $nil) are held with ANZ Bank New Zealand Limited via CIP Cash Management Nominees Limited, a subsidiary of Craigs Investment Partners Limited.
- Earnout of $1,377,842 (2019: $495,000) was distributed to Pohutukawa II Investment Holdings LP.

The terms and conditions of the transactions with key management personnel and their related parties are in accordance with the terms of the management agreement.

c) Transactions with key management personnel

	2020	2019
Directors fees (total remuneration)	85,000	85,000

The balance owing to key management personnel at 31 December 2020 is $59,063 (2019: $33,750).

18. Subsequent events

There were no material subsequent events for the Group.

Notes to the consolidated financial statements

19. Group entities

Investment Companies

	Country of incorporation	Ownership interest* 2020	Ownership interest* 2019
Pohutukawa Alpha Limited ("Alpha")	New Zealand	0%	0%
Pohutukawa Beta Limited ("Beta")	New Zealand	0%	0%
Pohutukawa Gamma Limited ("Gamma")	New Zealand	0%	0%
Pohutukawa Delta Limited ("Delta")	New Zealand	0%	0%
Pohutukawa Epsilon Limited ("Epsilon")	New Zealand	0%	0%
Pohutukawa Zeta Limited ("Zeta")	New Zealand	0%	0%
Pohutukawa Eta Limited ("Eta")	New Zealand	0%	0%
Pohutukawa Theta Limited ("Theta")	New Zealand	0%	0%
Pohutukawa Iota Limited ("Iota")	New Zealand	0%	0%
Pohutukawa Kappa Limited ("Kappa")	New Zealand	0%	0%
Pohutukawa Lambda Limited ("Lambda")	New Zealand	0%	0%
Pohutukawa Mu Limited ("Mu")	New Zealand	0%	0%

*As stated in Note 3(a)(i), the preference shares in the Investment Companies are owned by the individual shareholders of Pohutukawa Private Equity II Limited but are consolidated into the Group as they are stapled securities.

Audit report

KPMG

Independent Auditor's Report

To the shareholders of Pohutukawa Private Equity II Limited.

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Pohutukawa Private Equity II Limited (the 'company') and its subsidiaries (the 'group') on pages 8 to 26:

i. present fairly in all material respects the Group's financial position as at 31 December 2020 and its financial performance and cash flows for the year ended on that date; and
ii. comply with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

— the consolidated statement of financial position as at 31 December 2020;

— 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 and other explanatory information.

Basis for opinion

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

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

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

Our firm has also provided other services to the group in relation to (review of interim financial statements) and reviewing annual tax returns. 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.

Audit report

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. We summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Valuation of Investments	
Refer to Note 7 to the Financial Report. The Group holds private equity investments of $5.4m. This is a key audit matter due to the following: • the size of investments in relation to the total assets of the Group, and as a result, the significant level of auditor attention consumed in substantiating this balance; • The valuation of investments in equity securities of portfolio companies is judgmental in nature and therefore susceptible to material error.	Our audit procedures included the following: • In conjunction with our valuation specialists, assessment of whether the valuation methodologies used to fair value each investment are appropriate. • Agreeing key inputs used in the Group models for each portfolio company to supporting external documentation. • Evaluate the appropriateness of key assumptions used in valuation models, including maintainable earnings, earnings multiples and marketability discounts. Based on the above procedures there were no matters to report.

Other Information

The Directors, on behalf of the group, are responsible for the other information included in the entity's Annual Report. Other information may include the Report to Shareholders, Manager's Report on Portfolio Companies and the Directors' Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

The Annual Report is expected to be made available to us after the date of this Independent Auditor's Report. Our responsibility is to read the Annual Report when it becomes available and consider whether the other information it contains is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appear misstated. If so, we are required to report such matters to the Directors.

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.

Audit report

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);
- implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

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

Our objective is:

- to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error; and
- to issue an independent auditor's report that includes our opinion.

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

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

A further description of our responsibilities for the audit of these consolidated financial statements is located at the External Reporting Board (XRB) website at: http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

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

The engagement partner on the audit resulting in this independent auditor's report is Trevor Newland.

For and on behalf of

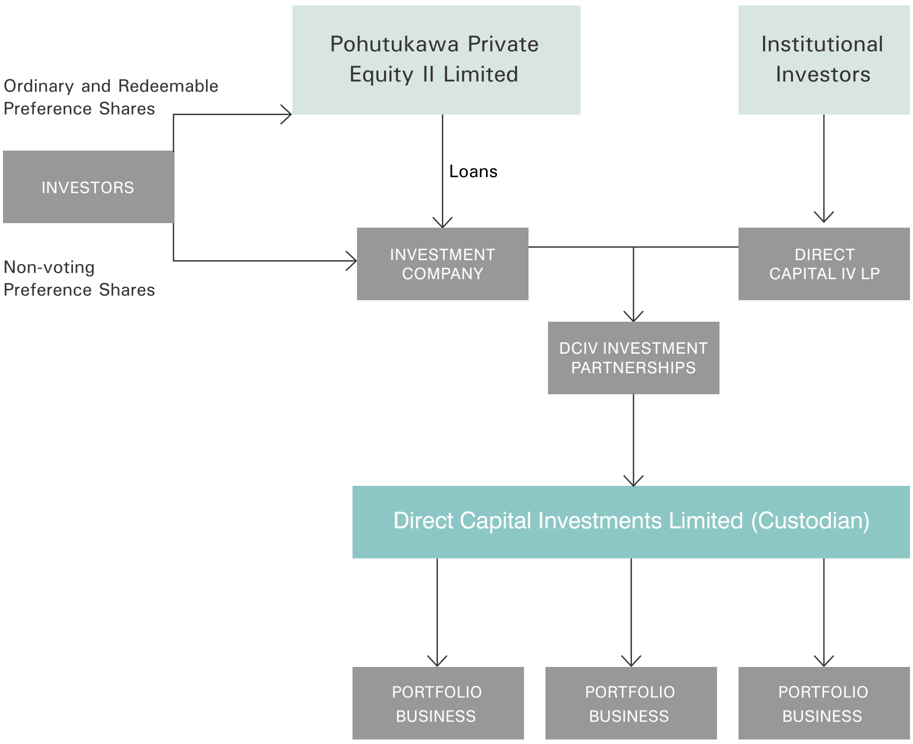
KPMG

Tauranga
23 March 2021

Corporate Governance & Structure

Pohutukawa Private Equity II Limited (Pohutukawa II) is the Fund. Investors hold both ordinary and redeemable preference shares in Pohutukawa II. Investors also hold redeemable preference shares in each of the special purpose vehicles (Investment Companies), which invest in the portfolio companies. These are called stapled securities. There are 82.5 million ordinary shares on issue. The number of ordinary shares on issue remains constant while the ratio of preference shares reduces as investments are realised and preference shares are redeemed.

Pohutukawa II co-invests with Direct Capital IV in each investment in proportion to the level of committed capital of each of Pohutukawa II and Direct Capital IV. The structure is shown below:



Ordinary shares held by investors in Pohutukawa II confer normal voting rights on investors. The preference shares held by investors in both Pohutukawa II and the Investment Companies confer no voting rights. The Manager (Direct Capital IV Management and Craigs Investment Partners), through Pohutukawa II Investment Holdings Limited Partnership holds all the ordinary voting shares in each of the Investment Companies and exercises these rights in accordance with the Pohutukawa II investment policy and investment criteria.

Pohutukawa II has a separate Board to ensure best-practice corporate governance and to safeguard shareholders' interests. The Board has one independent director.

Craigs Investment Partners is entitled to appoint up to 50% of the directors of Pohutukawa II. All other directors of Pohutukawa II can be appointed by directors or removed by ordinary resolution of the investors. The Board sets the investment policy and criteria, and reviews the performance of the Manager from time to time and reports to the shareholders on the review. It reviews the capital adequacy of Pohutukawa II and is responsible for continuous disclosure and shareholder meetings of Pohutukawa II. The Directors of each Investment Company can be appointed or removed only by the limited partners.

The Manager is a 50/50 joint venture between Direct Capital IV Management Limited and Craigs Investment Partners Limited, both of whom provide services to the Manager on a contract basis. Direct Capital provides investment management services. Craigs Investment Partners provides fundraising, cash management, treasury management, administration, investor communication, and investment sourcing and divestment assistance. The Investment Committee of the Manager is responsible for all investment decisions.

The Pohutukawa II Board

The Board of Pohutukawa Private Equity II Limited (whose profiles follow) comprises two directors, one from Craigs Investment Partners and one independent director, who is also Chairman. The Board is responsible for appointing, and then monitoring the performance of the Manager, reviewing Pohutukawa's investment policy and criteria, and managing conflicts of interest between the Manager and the Pohutukawa fund.

JOHN MCDONALD
(Chairman and Independent Director)

John is a Company director and trustee with more than 30 year's experience in executive and management positions with the former Fletcher Challenge group of companies through to his retirement in 2001. John has considerable international experience in management, finance, corporate governance best practice and as a director and audit committee member of private and publicly listed companies John is currently a director of Oriens Capital Ltd, and he is Chairman of Pohutukawa Private Equity II Ltd. John was previously a director of Air New Zealand for 9 years and Horizon Energy Distribution Ltd.

NEIL CRAIG
(Non-Executive Director)

Neil is the founding principal of Craigs Investment Partners, a New Zealand Exchange Participant Firm, a company he has been instrumental in building from a small regionally based sharebroking business in Whakatane to its current position as a leading New Zealand investment advisory firm. Craigs Investment Partners has approximately 580 staff across 19 branches throughout New Zealand. Neil has a broad experience in private equity transactions, stock exchange listings, capital raisings and corporate activity for a wide range of companies. In a personal capacity Neil has been an active private equity investor for many years.

Neil is currently a director of Pohutukawa Private Equity II Ltd, Pohutukawa Private Equity V Ltd, Pohutukawa Private Equity VI Ltd, Pilot Bay Funds Management Ltd , Oriens Capital Ltd, and director of a number of privately held companies. Neil is also a director of the general partner for Kowhai Private Equity, Karaka Private Equity, Matai Private Equity.

Committees

The Board has one committee, an Audit Committee, comprising all board members. The Audit Committee meets as required. The Audit Committee has full powers to require the Manager to provide any information or documents relating to the Fund, which it requires to enable it to meet the obligations of an Audit Committee; The Directors of Pohutukawa II and Pohutukawa II Management must respond to any recommendations made to their Boards from the Audit Committee.

There is no remuneration committee because Pohutukawa II and the Manager have no employees. The Chairman and Directors of Pohutukawa II receive director's fees from Pohutukawa II. The Manager is entitled to remuneration in respect of management of the funds. Information about the remuneration received by the Manager for this reporting period can be found in the financial statements set out in this report. The Manager does not pay director's fees.

To the extent applicable and possible, the Board intends to adopt the governance structures and principles of a listed company.

The Investment Committee of the Manager is responsible for all investment decisions, subject to compliance with the investment policy set by the Board.

Directory

BOARD OF DIRECTORS OF POHUTUKAWA PRIVATE EQUITY II

John McDonald
Neil Craig

The Directors can be contacted at Pohutukawa's address below.

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