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**BARRAMUNDI LIMITED**  
**FINANCIAL STATEMENTS CONTENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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	<b>Page</b>
Statement of Comprehensive Income	1
Statement of Changes in Equity	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Financial Statements	5

**BARRAMUNDI LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$000	2021 \$000
Interest income		14	4
Dividend income		3,658	2,832
Net changes in fair value of investments	2	(36,432)	53,866
Other income	3	129	509
<b>Total (loss)/income</b>		<b>(32,631)</b>	<b>57,211</b>
Operating expenses	4	2,521	5,494
<b>Operating (loss)/profit before tax</b>		<b>(35,152)</b>	<b>51,717</b>
Total tax benefit	5	(507)	(600)
<b>Net operating (loss)/profit after tax attributable to shareholders</b>		<b>(34,645)</b>	<b>52,317</b>
<b>Total comprehensive (loss)/income after tax attributable to shareholders</b>		<b>(34,645)</b>	<b>52,317</b>
<b>Basic (losses)/earnings per share</b>	7	<b>(13.99c)</b>	<b>24.82c</b>
<b>Diluted (losses)/earnings per share</b>	7	<b>(13.99c)</b>	<b>23.43c</b>

The accompanying notes form an integral part of these financial statements.

**BARRAMUNDI LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

<i>Attributable to shareholders of the Company</i>			
Notes	Share Capital \$000	(Accumulated Deficits)/ Retained Earnings \$000	Total Equity \$000
<b>Balance at 1 July 2020</b>	<b>164,928</b>	<b>(23,412)</b>	<b>141,516</b>
<b>Comprehensive income</b>			
Net operating profit after tax	-	52,317	52,317
<b>Total comprehensive income for the year ended 30 June 2021</b>	<b>-</b>	<b>52,317</b>	<b>52,317</b>
<b>Transactions with shareholders</b>			
Warrant issue costs	(3)	-	(3)
Dividends paid	6 (d)	(12,648)	(12,648)
New shares issued under dividend reinvestment plan	6 (e)	4,503	4,503
Reduction to share issue costs	6	-	6
<b>Total transactions with shareholders for the year ended 30 June 2021</b>	<b>4,506</b>	<b>(12,648)</b>	<b>(8,142)</b>
<b>Balance at 30 June 2021</b>	<b>169,434</b>	<b>16,257</b>	<b>185,691</b>
<b>Comprehensive income</b>			
Net operating (loss) after tax	-	(34,645)	(34,645)
<b>Total comprehensive (loss) for the year ended 30 June 2022</b>	<b>-</b>	<b>(34,645)</b>	<b>(34,645)</b>
<b>Transactions with shareholders</b>			
Shares issued for warrants exercised	6 (c)	30,693	30,693
Warrant issue costs	6 (c)	(13)	(13)
Dividends paid	6 (d)	(16,825)	(16,825)
New shares issued under dividend reinvestment plan	6 (e)	5,776	5,776
<b>Total transactions with shareholders for the year ended 30 June 2022</b>	<b>36,456</b>	<b>(16,825)</b>	<b>19,631</b>
<b>Balance at 30 June 2022</b>	<b>205,890</b>	<b>(35,213)</b>	<b>170,677</b>

The accompanying notes form an integral part of these financial statements.

**BARRAMUNDI LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

	Notes	2022 \$000	2021 \$000
<b>SHAREHOLDERS' EQUITY</b>		<b>170,677</b>	<b>185,691</b>
Represented by:			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	2,576	949
Trade and other receivables	8	1,483	1,306
Financial assets at fair value through profit or loss	2	167,114	185,602
Current tax receivable	5	97	64
<b>Total Current Assets</b>		<b>171,270</b>	<b>187,921</b>
<b>Non-current Assets</b>			
Deferred tax asset	5	1,078	560
<b>Total Non-current Assets</b>		<b>1,078</b>	<b>560</b>
<b>TOTAL ASSETS</b>		<b>172,348</b>	<b>188,481</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	1,516	2,790
Financial liabilities at fair value through profit or loss	2	155	-
<b>Total Current Liabilities</b>		<b>1,671</b>	<b>2,790</b>
<b>TOTAL LIABILITIES</b>		<b>1,671</b>	<b>2,790</b>
<b>NET ASSETS</b>		<b>170,677</b>	<b>185,691</b>

These financial statements have been authorised for issue for and on behalf of the Board by:

R A Coupe  
 Chair  
 22 August 2022

C A Campbell  
 Chair of the Audit and Risk Committee  
 22 August 2022

The accompanying notes form an integral part of these financial statements.

**BARRAMUNDI LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$000	2021 \$000
<b>Operating Activities</b>			
Sale of listed equity investments		60,372	43,694
Interest received		14	4
Dividends received		3,629	2,722
Other income		116	516
Purchase of listed equity investments		(71,757)	(36,396)
Operating expenses		(6,000)	(3,233)
Taxes paid		(43)	(176)
Net settlement of forward foreign exchange contracts		(4,343)	(453)
<b>Net cash (outflows)/inflows from operating activities</b>	<b>10</b>	<b>(18,012)</b>	<b>6,678</b>
<b>Financing Activities</b>			
Proceeds from warrants exercised		30,693	-
Reduction to share issue costs to purchase ordinary shares		-	6
Warrant issue costs		(13)	(3)
Dividends paid (net of dividends reinvested)		(11,049)	(8,145)
<b>Net cash inflows/(outflows) from financing activities</b>		<b>19,631</b>	<b>(8,142)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>1,619</b>	<b>(1,464)</b>
Cash and cash equivalents at beginning of the year		949	2,416
Effects of foreign currency translation on cash balance		8	(3)
<b>Cash and cash equivalents at end of the year</b>	<b>10</b>	<b>2,576</b>	<b>949</b>

The accompanying notes form an integral part of these financial statements.



**Note 1 Basis of Accounting**

**Reporting Entity**

Barramundi Limited ("Barramundi" or "the Company") is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The Company's registered office is Level 1, 67-73 Hurstmere Road, Takapuna, Auckland.

**Basis of Preparation**

These financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013, the NZX Main Board listing rules and New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) as appropriate to for-profit entities, and International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for financial assets and liabilities at fair value through profit or loss.

The functional and reporting currency used to prepare the financial statements is New Zealand dollars, rounded to the nearest one thousand dollars. Where relevant, prior year comparatives have been reclassified to conform with current year financial statement presentation. Where there has been a material restatement of comparative information the nature of, and the reason for the restatement is disclosed in the relevant notes.

The operating expenses include GST where it is charged by other parties as it cannot be reclaimed.


**Foreign Currency Transactions and Translations**

Foreign currency transactions are converted into New Zealand dollars using exchange rates prevailing at transaction date. Foreign currency assets and liabilities are translated into New Zealand dollars using the exchange rates prevailing at the balance date.

Foreign exchange gains or losses relating to the financial assets and liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income within "Net changes in fair value of financial assets and liabilities".

Foreign exchange gains and losses relating to cash and cash equivalents, trade and other receivables, and trade and other payables are presented in the Statement of Comprehensive Income within "Other income".

**Accounting Policies**

Accounting policies that summarise the recognition and measurement basis used and are relevant to an understanding of the financial statements, are provided throughout the notes to the financial statements and are designated by a  symbol.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

There are no new accounting standards, amendments to standards and interpretations that have a material impact on these financial statements. The same applies for any new standards, amendments to standards and interpretations that have been issued but are not yet effective.


**Financial Reporting by Segments**

The Company operates in a single operating segment, being Australian financial investment.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

There has been no change to the operating segment during the year.

**Critical Judgements, Estimates and Assumptions**

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements are designated by a  symbol in the notes to the financial statements. There were no material estimates or assumptions required in the preparation of these financial statements.


**Authorisation of Financial Statements**

The Barramundi Board of Directors authorised these financial statements for issue on 22 August 2022.

No party may change these financial statements after their issue.

**Note 2 Investments at Fair Value through Profit or Loss**

**j** Given that the investment portfolio is managed, and performance is evaluated, on a fair value basis in accordance with a documented investment strategy, Barramundi has classified all of its investments at fair value through profit or loss.

 Investments are initially recognised at fair value and are subsequently revalued to reflect changes in fair value. Net changes in the fair value of financial assets and liabilities are recognised in the Statement of Comprehensive Income.

Financial assets at fair value through profit or loss comprise Australian listed equity investment assets and forward foreign exchange contracts with positive value.

Financial liabilities at fair value through profit or loss comprise forward foreign exchange contracts with negative value.

Forward foreign exchange contracts can be used as economic hedges for equity investments against currency risk. They are accounted for on the same basis as those investments and are recognised at their fair value.

All purchases and sales of investments are recognised at trade date, which is the date the Company commits to purchase or sell the investment and transaction costs are expensed as incurred. When an investment is sold, any gain or loss arising on the sale is included in the Statement of Comprehensive Income. Realised gains or losses are calculated as the difference between the sale proceeds and the carrying amount of the item.

The fair value of listed equity investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment.

The fair value of forward foreign exchange contracts is determined by using valuation techniques based on spot exchange rates and forward points supplied by a reputable pricing vendor.

Dividend income from investments is recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established (ex-dividend date).

Investments recognised at fair value are categorised according to a fair value hierarchy that shows the extent of judgement used in determining their fair value. Where unadjusted quoted prices are used in an active market, the investments are categorised as Level 1. When significant inputs derived from observable market data are used, the investments are categorised as Level 2. If significant inputs are not based on observable market data, they are categorised as Level 3.

**j** All listed equity investments held by Barramundi are categorised as Level 1 and all forward foreign exchange contracts are classified as Level 2 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the year (2021: none).

There were no financial instruments classified as Level 3 at 30 June 2022 (2021: none).

Investments at Fair Value through Profit or Loss	2022 \$000	2021 \$000
<i>Financial Assets:</i>		
Australian listed equity investments	166,205	185,471
Forward foreign exchange contracts	909	131
<b>Total financial assets at fair value through profit or loss</b>	<b>167,114</b>	<b>185,602</b>
<i>Financial Liabilities:</i>		
Forward foreign exchange contracts	155	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>155</b>	<b>-</b>
<b>Net Changes in Fair Value of Investments</b>		
Australian listed equity investments	(38,225)	53,663
Foreign exchange gains on Australian listed equity investments	5,514	555
Losses on forward foreign exchange contracts	(3,721)	(352)
<b>Net changes in fair value of investments through profit or loss</b>	<b>(36,432)</b>	<b>53,866</b>

The notional value of forward foreign exchange contracts held at 30 June 2022 was \$120,648,922 (2021: \$122,191,923).

**BARRAMUNDI LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

Note 3 Other Income	2022 \$000	2021 \$000
GST refund (note 11(a)(ii))	-	492
Foreign exchange gains on cash and cash equivalents and outstanding settlements	129	17
<b>Total other income</b>	<b>129</b>	<b>509</b>

Note 4 Operating Expenses	2022 \$000	2021 \$000
Management fee (note 11(a)(i))	1,511	2,107
Performance fee (note 11(a)(i))	-	2,478
Administration services (note 11(a)(i))	159	159
Directors' fees (note 11(b))	187	176
Custody, accounting and brokerage	267	222
Investor relations and communications	156	145
NZX fees	59	62
Professional fees	43	42
Fees paid to the auditor:		
Statutory audit and review of financial statements	48	38
Non-assurance services <sup>1</sup>	-	2
Regulatory fees	24	17
Other operating expenses	67	46
<b>Total operating expenses</b>	<b>2,521</b>	<b>5,494</b>

<sup>1</sup> Non-assurance services in the previous year relate to agreed upon procedures performed in respect of the performance fee calculation. No other fees were paid to the auditor.

**Note 5 Taxation**

Barramundi is a Portfolio Investment Entity ("PIE") for tax purposes.



Taxation expense comprises both current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at balance date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid (or refundable). Deferred tax (if any) is recognised as the difference between the carrying amounts of assets and liabilities in the financial statements and the amounts used for taxation purposes. A deferred tax asset is only recognised to the extent it is probable it will be utilised.

Taxation expense is determined as follows:	2022 \$000	2021 \$000
<b>Operating (loss)/profit before tax</b>	<b>(35,152)</b>	<b>51,717</b>
Non-taxable realised gain on financial assets and liabilities	(17,364)	(12,793)
Non-taxable unrealised loss/(gain) on financial assets and liabilities	50,084	(41,267)
Fair Dividend Rate income	690	253
Exempt dividends subject to Fair Dividend Rate	(57)	(52)
Imputation credits	105	91
Non-deductible expenses and other	215	174
Forfeit of foreign tax credits	43	86
Prior period adjustment	-	(27)
<b>Loss for tax purposes</b>	<b>(1,436)</b>	<b>(1,818)</b>
<b>Tax at 28%</b>	<b>(402)</b>	<b>(509)</b>
Imputation credits	(105)	(91)
<b>Total tax benefit</b>		<b>(600)</b>
<i>Taxation (benefit) comprises:</i>		
Current tax	-	-
Deferred tax	(517)	(617)
Forfeit of tax credits	10	24
Prior period adjustment	-	(7)
<b>Total tax benefit</b>	<b>(507)</b>	<b>(600)</b>



Note 5	Taxation (continued)	2022 \$000	2021 \$000
	<b>Current tax balance</b>		
	Opening balance	64	(94)
	Tax paid	33	151
	Prior period adjustment	-	7
	<b>Current tax receivable</b>	<b>97</b>	<b>64</b>
	<b>Deferred tax balance</b>		
	Opening balance	560	(58)
	Accrued dividends	(7)	(48)
	Tax credits	-	93
	Current year losses	525	573
	<b>Deferred tax asset</b>	<b>1,078</b>	<b>560</b>


**j** A deferred tax asset is recognised only if it is probable that future tax profits will be available to utilise against the deferred tax asset.

#### Imputation Credits

The imputation credits available for subsequent reporting periods total \$33,784 (2021: \$633). This amount represents the balance of the imputation credit account at the end of the reporting period, adjusted for imputation credits that will arise from the receipt of dividends recognised as a receivable at 30 June 2022.

#### Note 6 Shareholders' Equity

##### a. Share Capital

 Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares and warrants are shown in equity as a deduction.

When shares are acquired by the Company, the amount of consideration paid is recognised directly in equity. Acquired shares are classified as treasury stock and presented as a deduction from share capital. When treasury stock is subsequently sold or reissued, the cost of treasury stock is reversed and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs, is recognised within share capital.

Barramundi has 268,464,628 fully paid ordinary shares on issue (2021: 213,764,688). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

##### b. Buybacks

Barramundi maintains an ongoing share buyback programme. For the year ended 30 June 2022, Barramundi did not acquire any shares (2021: nil) under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were no shares held as treasury stock at balance date (2021: nil).

##### c. Warrants

On 29 October 2021, 48,082,491 warrants valued at \$30,772,794 less issue costs of \$80,097 (net (\$30,692,697) were exercised at \$0.64 per warrant, and the remaining 4,450,427 warrants lapsed.

On 16 May 2022, 66,682,342 warrants were allotted and quoted on the NZX Main Board on 17 May 2022. One new warrant was issued to all eligible shareholders for every four shares held on record date. The warrants were exercisable at \$0.89 per warrant, adjusted down for dividends declared during the period up to the exercise date of 26 May 2023. Warrant holders can elect to exercise some or all of their warrants on the exercise date. The net cost of issuing the warrants of \$13,482 is deducted from share capital.

**Note 6 Shareholders' Equity (continued)**

**d. Dividends**



Dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are declared by the Barramundi Board.

Barramundi has a distribution policy where 2% of average NAV is distributed each quarter. Dividends paid during the year comprised:

	2022 \$000	Cents per share		2021 \$000	Cents per share
24 Sep 2021	3,613	1.69	25 Sep 2020	2,797	1.34
17 Dec 2021	4,762	1.81	18 Dec 2020	3,047	1.45
25 Mar 2022	4,449	1.68	26 Mar 2021	3,339	1.58
23 Jun 2022	4,001	1.50	25 Jun 2021	3,465	1.63
	<u>16,825</u>	<u>6.68</u>		<u>12,648</u>	<u>6.00</u>

**e. Dividend Reinvestment Plan**

Barramundi has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the year ended 30 June 2022, 6,617,449 ordinary shares totalling \$5,775,560 (2021: 5,044,948 ordinary shares totalling \$4,503,104) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Barramundi before the next record date.

**Note 7 Earnings per Share**



Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator. Potential ordinary shares include outstanding warrants.

	2022	2021
<b>Basic Earnings per Share</b>		
Net operating (loss)/profit after tax attributable to shareholders of the Company (\$'000)	(34,645)	52,317
Weighted average number of ordinary shares on issue net of treasury stock ('000)	247,668	210,776
<b>Basic (losses)/earnings per share</b>	<u>(13.99c)</u>	<u>24.82c</u>
<b>Diluted Earnings per Share</b>		
Net operating (loss)/profit after tax attributable to shareholders of the Company (\$'000)	(34,645)	52,317
Weighted average number of ordinary shares on issue net of treasury stock ('000)	247,668	210,776
Diluted effect of warrants on issue ('000) <sup>1</sup>	-	12,558
	247,668	223,334
<b>Diluted (losses)/earnings per share</b>	<u>(13.99c)</u>	<u>23.43c</u>

<sup>1</sup> Warrants on issue at the end of the period were not assumed to be exercised because they were antidilutive in the period as the warrant exercise price (less dividends paid) of \$0.88 was greater than the average share price of \$0.83 between the date of issue and 30 June 2022.

**Note 8 Trade and Other Receivables**



Trade and other receivables are classified as financial assets at amortised cost and are initially recognised at fair value, and subsequently measured at amortised cost less any provision for impairment. Receivables are assessed on a case-by-case basis for impairment.





The trade and other receivables' carrying values are a reasonable approximation of fair value.

	2022 \$000	2021 \$000
Dividends receivable	408	375
Related party receivable (note 11(a)(ii))	1,007	-
Unsettled investment sales	45	922
Prepayments	23	9
<b>Total trade and other receivables</b>	<u>1,483</u>	<u>1,306</u>

**BARRAMUNDI LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**Note 9 Trade and Other Payables**


 Trade and other payables are classified as other financial liabilities and are initially recognised at fair value, and subsequently measured at amortised cost.

 The trade and other payables' carrying values are a reasonable approximation of fair value.

	2022	2021
	\$000	\$000
Dividends payable	60	59
Related party payable (note 11(a)(i))	188	2,683
Unsettled investment purchases	1,183	-
Other payables and accruals	85	48
<b>Total trade and other payables</b>	<b>1,516</b>	<b>2,790</b>

**Note 10 Cash and Cash Flow Reconciliation**

**Cash and Cash Equivalents**

 Cash and cash equivalents are classified as financial assets at amortised cost and comprise cash on deposit at banks.


	2022	2021
	\$000	\$000
Cash - New Zealand Dollars	542	936
Cash - Australian Dollars	2,034	13
<b>Cash and cash equivalents</b>	<b>2,576</b>	<b>949</b>

**Reconciliation of Net Operating Profit after Tax to Net Cash Flows from Operating Activities**

<b>Net operating profit/(loss) after tax</b>	<b>(34,645)</b>	<b>52,317</b>
<b>Items not involving cash flows:</b>		
Unrealised (gains)/losses on cash and cash equivalents	(8)	3
Unrealised losses/(gains) on revaluation of investments	50,084	(41,267)
Unrealised (gains) on forward foreign exchange contracts	(623)	(101)
	<b>49,453</b>	<b>(41,365)</b>
<b>Impact of changes in working capital items</b>		
(Decrease)/increase in trade and other payables	(1,274)	1,686
(Increase) in trade and other receivables	(177)	(1,047)
Change in current and deferred tax	(551)	(776)
	<b>(2,002)</b>	<b>(137)</b>
<b>Items relating to investments</b>		
Amounts paid for purchases of investments	(71,757)	(36,396)
Amounts received from sales of investments net of realised gains/losses	47,342	31,196
Net amount received on settlement of forward foreign exchange contracts	(4,343)	(453)
Movements in unsettled purchases of investments	(1,183)	594
Movements in unsettled sales of investments	(877)	922
	<b>(30,818)</b>	<b>(4,137)</b>
<b>Net cash (outflows)/inflows from operating activities</b>	<b>(18,012)</b>	<b>6,678</b>



**Note 11 Related Party Information**

 Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

**a. Fisher Funds Management Limited**

Fisher Funds Management Limited ("Fisher Funds" or "the Manager") is an entity that provides key management personnel services to Barramundi by virtue of its management agreement.


In return for the performance of its duties as Manager, Fisher Funds is paid the following fees:

*Management Fee:* 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Barramundi shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee.

*Performance Fee:* Fisher Funds may earn an annual performance fee of 10% plus GST of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 7%) subject to achieving the High Water Mark ("HWM"). The total performance fee amount is subject to a cap of 1.25% of the adjusted net asset value (prior to performance fees) and is settled fully in cash.

The HWM is the dollar amount by which the net asset value per share exceeds the highest net asset value per share (after adjustment for capital changes and distributions) at the end of any previous calculation period in which a performance fee was payable, multiplied by the number of shares at the end of the period.

In accordance with the terms of the Management Agreement, when a performance fee is earned, it is paid within 60 days of the balance date.

 Performance fees paid to the Manager are recognised as an expense in the Statement of Comprehensive Income and treated in line with a typical operating expense.

*Administration Fee:* Fisher Funds provides corporate administration services and a fee is payable monthly in arrears.

<b>(i) Fees Earned and Payable:</b>	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Fees earned by the Manager for the year ended 30 June</b>		
Management fees	1,511	2,107
Performance fees	-	2,478
Administration services	159	159
<b>Operating expenses</b>	<b>1,670</b>	<b>4,744</b>

For the year ended 30 June 2022, the Manager did not achieve a return in excess of the performance fee hurdle return and the HWM (2021: excess returns of \$43,716,564 were generated). Accordingly, the Company has not expensed a performance fee (2021: Performance fee of \$2,477,923 was expensed).

<b>Fees payable to the Manager at 30 June</b>		
Management fees	175	192
Performance fees	-	2,478
Administration services	13	13
<b>Related party payables</b>	<b>188</b>	<b>2,683</b>

**(ii) Other Income Earned and Credit Note**

**Income Received from the Manager for the Year Ended 30 June 2021**

*GST Refund*

On 30 April 2021, Fisher Funds received a GST refund plus use of money interest (UOMI) from the Inland Revenue Department ("IRD"). The refund relates to the period 1 April 2004 to 31 July 2009 when the Manager applied 15% GST on management fees, when a subsequent assessment confirmed the Manager was entitled to charge only 1.5% GST on management fees. The total GST refund received by the Manager on behalf of Barramundi is \$491,502, being overcharged GST refunded of \$481,644 plus UOMI of \$9,858.

The GST refund was received by Barramundi in May 2021.

The GST refund and UOMI was excluded from any performance fee calculation, consistent with how they have been treated in the past given they were not performance related income for the year.



**Note 11 Related Party Information (continued)**

	2022	2021
	\$000	\$000
<b>Fees receivable from the Manager 30 June</b>		
Management fee credit note	1,007	-
<b>Related party receivable</b>	<b>1,007</b>	<b>-</b>

Fisher Fund's management fee was calculated and invoiced at 1.25% of gross asset value, with a balance date adjustment to reduce the management fee to 0.75% of gross asset value (30 June 2021: no adjustment) as the gross return underperformed the NZ 90 Day Bank Bill Index by 19.4%. As a result of the management fee adjustment which had been accrued in the accounts during the year, Fisher Funds raised a credit note for \$1,007,381 at balance date which will be used by the Company to cover future monthly management fees.

**b. Directors**

Barramundi considers its Board of Directors ("Directors") key management personnel. Barramundi does not have any employees.

During the financial year the Directors earned fees for their services of \$187,114 (2021: \$176,247). The Directors' fee pool is \$157,500 (plus GST, if any) for the year ended 30 June 2022 (30 June 2021: \$157,500 + GST). There were no Director fees payable at the end of the period (30 June 2021: nil). Directors' fees exceed the pool due to the Company temporarily having five directors during the year between the appointment of David McClatchy (1 July 2021) and the retirement of Carmel Fisher (6 August 2021).

The Directors held shares in the company as at 30 June 2022 which total 0.11% of total shares on issue (30 June 2021: 3.14%). The Directors held warrants in the Company as at 30 June 2022 which total 0.11% of total warrants on issue (30 June 2021: 2.31%). The reduction in Director shareholding and warrant holding is a result of changes in Directors during the period.

Dividends of \$28,284 (2021: \$376,419) were also received by directors or their associates as a result of their shareholding.

**c. Investment Transactions with Related Parties**

Off-market transactions between Barramundi and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (on an arm's length basis). Purchases for the year ended 30 June 2022 totalled \$567,988 (2021: \$168,533) and sales totalled \$2,679,600 (2021: Nil).

**Note 12 Financial Risk Management**

The Company is subject to a number of financial risks which arise as a result of its investment activities, including market risk, credit risk and liquidity risk.

The Management Agreement between Barramundi and Fisher Funds details permitted investments. Financial instruments currently recognised in the financial statements also comprise cash and cash equivalents, forward foreign exchange contracts, trade and other receivables and trade and other payables.

**Market Risk**

All equity investments present a risk of loss of capital, often due to factors beyond the Company's control such as competition, regulatory changes, commodity price changes and changes in general economic climates domestically and internationally. The Manager moderates this risk through careful stock selection, diversification and daily monitoring of the market positions. For corporate governance purposes there is also regular reporting to the Board of Directors. In addition, the Manager has to meet the criteria of authorised investments within the prudential limits defined in the Management Agreement.

The market risk of the Company is concentrated in Australia.

**Price Risk**

Price risk is the risk of gains or losses from changes in the market price of investments. The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. One company comprised more than 10% of Barramundi's total assets at 30 June 2022 (2021: none). CSL Limited comprised 10% (2021: 9%) of Barramundi's total assets, and therefore fluctuations in the value of this portfolio company will have a greater impact on the overall investments balance.

**Interest Rate Risk**

Interest rate risk is the risk of movements in interest rates. Surplus cash is held in interest bearing Australian and New Zealand bank accounts. The Company is therefore exposed to the risk of changes in interest income from movements in both Australian and New Zealand interest rates. There is no hedge against the risk of movements in interest rates.

Note 12 Financial Risk Management (continued)

Market Risk (continued)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in foreign exchange rates. The Company holds assets denominated in Australian dollars and it is therefore exposed to currency risk as the value of these assets in Australian dollars will fluctuate with changes in the relative value of the New Zealand dollar. The Company mitigates this risk by entering into forward foreign exchange contracts as and when the Manager deems it appropriate. At any time during the year the portfolio may be hedged by an amount deemed appropriate by the Manager.

Sensitivity Analysis

The table below summarises the impact on net operating profit after tax and shareholders' equity to reasonably possible changes arising from market risk exposure at 30 June as follows:

		2022 \$000	2021 \$000
<u>Price risk<sup>1</sup></u>			
Australian listed equity investments	Carrying value	166,205	185,471
	Impact of a 20% change in market prices: +/-	33,241	37,094
<u>Interest rate risk<sup>2</sup></u>			
Cash and cash equivalents	Carrying value	2,576	949
	Impact of a 1% change in interest rates: +/-	26	9
<u>Currency risk<sup>3</sup></u>			
Cash and cash equivalents	Carrying value	2,034	13
	Impact of a +10% change in exchange rates	(185)	(1)
	Impact of a -10% change in exchange rates	226	1
Australian listed equity investments	Carrying value	166,205	185,471
	Impact of a +10% change in exchange rates	(15,110)	(16,861)
	Impact of a -10% change in exchange rates	18,467	20,608
Forward foreign exchange contracts	Carrying value	754	131
	Impact of a +10% change in exchange rates	10,968	11,108
	Impact of a -10% change in exchange rates	(13,405)	(13,577)
Net foreign currency payables/receivables	Carrying value	(730)	1,297
	Impact of a +10% change in exchange rates	66	(118)
	Impact of a -10% change in exchange rates	(81)	144

<sup>1</sup> A variable of 20% is considered appropriate for market price risk sensitivity analysis based on historical price movements.

<sup>2</sup> A variable of 1% was selected as this is a reasonably expected movement based on historical volatility. The percentage movement for the interest rate sensitivity relates to an absolute change in interest rate rather than a percentage change in interest rate.

<sup>3</sup> A variable of 10% was selected as this is a reasonably expected movement based on historic trends in exchange rate movements.

Credit Risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. In the normal course of its business, the Company is exposed to credit risk from transactions with its counterparties.

Australian listed equity investments are held by an independent custodian, Trustees Executors Limited. All transactions in listed securities are paid for on delivery according to standard settlement instructions and are normally settled within three business days. Dividends receivable are due from listed Australian companies and are normally settled within a month after the Ex-Dividend date. The Company has cash and forward foreign exchange contracts with banks registered in New Zealand and Australia which carry a minimum short-term credit rating of S&P AA-.

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At balance date, cash at bank was held with counterparties with a credit rating of S&P AA- or equivalent. Trade and other receivables are normally settled within three business days.

Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

**Note 12 Financial Risk Management (continued)**

**Credit Risk (continued)**

The maximum credit risk of financial assets is deemed to be their carrying amount as reported in the Statement of Financial Position.

Other than cash at bank, short term unsettled trades and dividends receivable, there are no significant concentrations of credit risk. The Company does not expect non-performance by counterparties, therefore no collateral or security is required.

**Liquidity Risk**

Liquidity risk is the risk that the assets held by the Company cannot readily be converted to cash in order to meet the Company's financial obligations as they fall due. The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity (through daily cash monitoring) to meet working capital and investment requirements. All trade and other payables have contractual maturities of three months or less.

Liquidity to fund investment requirements can be augmented through the procurement of a debt facility from a registered bank to a maximum value of 20% of the gross asset value of the Company. There were no such debt facilities at 30 June 2022 (2021: nil).

All derivative financial liabilities held by the Company have contractual maturities of three months or less.

There have been no subsequent events to suggest any issues with satisfying working capital and investment requirements.

**Capital Risk Management**

The Company's objective is to prudently manage shareholder capital (share capital, reserves, accumulated deficits) and borrowings (if any).

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share buybacks, issue new shares and secure borrowings in the short term.

The Company was not subject to any externally imposed capital requirements during the year.

Since announcing a long-term distribution policy in August 2009, the Company continues to pay 2% of average net asset value each quarter.

**Note 13 Net Asset Value**

The audited net asset value per share of Barramundi as at 30 June 2022 was \$0.64 (2021: \$0.87), calculated as the net assets of \$170,677,223 divided by the number of shares on issue of 268,464,628 (2021: net assets of \$185,691,037 and shares on issue of 213,764,688).

**Note 14 Commitments and Contingent Liabilities**

There were no unrecognised contractual commitments or contingent liabilities as at 30 June 2022 (2021: nil).

**Note 15 Subsequent Events**

**Dividend:** The Board declared a dividend of 1.36 cents per share on 22 August 2022. The record date for this dividend is 8 September 2022 with a payment date of 23 September 2022.

**Subsequent Performance:** As at 17 August 2022 the Barramundi unaudited net asset value (NAV) had increased to \$197.9 million, up 15.9% from 30 June 2022, due to market movements. Barramundi reports its unaudited NAV to the NZX on a weekly and monthly basis.

There were no other events which require adjustment to, or disclosure, in these financial statements.



## Independent auditor's report

To the shareholders of Barramundi Limited

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### Our opinion

In our opinion, the accompanying financial statements of Barramundi Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

### What we have audited

The financial statements comprise:

- the statement of financial position as at 30 June 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

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### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. Given the nature of the Company, we have one key audit matter: Valuation and existence of Australian listed equity investments. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.





Description of the key audit matter	How our audit addressed the key audit matter
<p><b>Valuation and existence of Australian listed equity investments</b></p> <p>Australian listed equity investments (the investments) are valued at \$166 million and represent 96% of total assets.</p> <p>Further disclosures on the investments are included in note 2 to the financial statements.</p> <p>This was an area of focus for our audit and an area where a significant proportion of audit effort was directed.</p> <p>As at 30 June 2022, all investments were in companies that were listed on the ASX and were actively traded with readily available, quoted market prices. The market prices were quoted in Australian dollars, and were then translated to New Zealand dollars using the exchange rate at 30 June 2022.</p> <p>All investments are held by Trustees Executors Limited (the Custodian) on behalf of the Company. Trustees Executors Limited also provides administration services for the Company.</p>	<p>Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, its investment portfolio. We obtained confirmation from the Custodian that the Company was the recorded owner of all the recorded investments.</p> <p>We obtained copies of and assessed Trustees Executors Limited's Internal Controls Reports for Custody, Investment Accounting and Registry services for the period from 1 April 2021 to 31 March 2022. Trustees Executors Limited has confirmed that there has been no material change to the control environment in the period from 1 April 2022 to 30 June 2022.</p> <p>We agreed the price for all investments held at 30 June 2022 and the exchange rate at which they have been converted from Australian dollars to New Zealand dollars to independent third-party pricing sources.</p>

**Our audit approach**

**Overview**

<p><b>Materiality</b></p>	<p>Overall materiality: \$853,000, which represents approximately 0.5% of net assets.</p> <p>We chose net assets as the benchmark because, in our view, the objective of the Company is to provide investors with a total return on its assets, taking account of both capital and income returns.</p>
<p><b>Key audit matters</b></p>	<p>As reported above, we have one key audit matter, being: <i>Valuation and existence of Australian listed equity investments</i>.</p>

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.



### **Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

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### **Responsibilities of the Directors for the financial statements**

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are 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 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) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.



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**Who we report to**

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

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

For and on behalf of:

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

Chartered Accountants

Auckland

22 August 2022