
KINGFISH LIMITED
INTERIM FINANCIAL STATEMENTS CONTENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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KINGFISH LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Notes	6 months ended 30-Sep-22 unaudited \$000	6 months ended 30-Sep-21 unaudited \$000
Interest income		146	34
Dividend income		4,849	4,585
Net changes in fair value of investments	2	(50,925)	57,144
Other income	7(a)(ii)	-	1,413
Total (loss)/income		(45,930)	63,176
Operating expenses	3	2,458	6,237
Operating (loss)/profit before tax		(48,388)	56,939
Tax expense		12	9
Net operating (loss)/profit after tax attributable to shareholders		(48,400)	56,930
Total comprehensive (loss)/income after tax attributable to shareholders		(48,400)	56,930
Basic (losses)/earnings per share	5	(15.02c)	18.17c
Diluted (losses)/earnings per share	5	(15.02c)	18.17c

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

KINGFISH LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

<i>Attributable to shareholders of the Company</i>				
	Notes	Share Capital \$000	Retained Earnings \$000	Total Equity \$000
Balance at 1 April 2021 (audited)		376,079	175,368	551,447
Comprehensive income				
Net operating profit after tax		-	56,930	56,930
Total comprehensive income for the period ended 30 September 2021		-	56,930	56,930
Transactions with shareholders				
Dividends paid	4 (b)	-	(22,293)	(22,293)
New shares issued under dividend reinvestment plan	4 (c)	8,347	-	8,347
Total transactions with shareholders for the period ended 30 September 2021		8,347	(22,293)	(13,946)
Balance at 30 September 2021 (unaudited)		384,426	210,005	594,431
Balance at 1 April 2022 (audited)		392,554	112,855	505,409
Comprehensive income				
Net operating (loss) after tax		-	(48,400)	(48,400)
Total comprehensive (loss) for the period ended 30 September 2022		-	(48,400)	(48,400)
Transactions with shareholders				
Dividends paid	4 (b)	-	(19,283)	(19,283)
New shares issued under dividend reinvestment plan	4 (c)	6,643	-	6,643
Costs relating to warrants issued		(3)	-	(3)
Total transactions with shareholders for the period ended 30 September 2022		6,640	(19,283)	(12,643)
Balance at 30 September 2022 (unaudited)		399,194	45,172	444,366

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

KINGFISH LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	30-Sep-22 unaudited \$000	31-Mar-22 audited \$000
SHAREHOLDERS' EQUITY		444,366	505,409
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents		8,934	8,006
Trade and other receivables		1,901	3,519
Investments at fair value through profit or loss	2	434,280	494,850
Total Current Assets		445,115	506,375
TOTAL ASSETS		445,115	506,375
LIABILITIES			
Current Liabilities			
Trade and other payables		749	966
Total Current Liabilities		749	966
TOTAL LIABILITIES		749	966
NET ASSETS		444,366	505,409

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



R A Coupe
Chairman
17 November 2022



C A Campbell
Chair of the Audit and Risk Committee
17 November 2022

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

KINGFISH LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

	Notes	6 months ended 30-Sep-22 unaudited \$000	6 months ended 30-Sep-21 unaudited \$000
Operating Activities			
Sale of listed equity investments		49,525	37,622
Interest received		144	33
Dividends received		4,542	4,071
Other income received		-	1,413
Purchase of listed equity investments		(38,621)	(31,005)
Operating expenses		(2,007)	(11,047)
Taxes paid		(12)	(9)
Net cash inflows from operating activities	6	13,571	1,078
Financing Activities			
Warrant issue costs		(3)	-
Dividends paid (net of dividends reinvested)		(12,640)	(13,946)
Net cash outflows from financing activities		(12,643)	(13,946)
Net increase/(decrease) in cash and cash equivalents held		928	(12,868)
Cash and cash equivalents at beginning of the period		8,006	33,528
Cash and cash equivalents at the end of the period		8,934	20,660

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

Note 1 Basis of Accounting

Reporting Entity

Kingfish Limited ("Kingfish" or "the Company") is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is an 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

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the International Accounting Standard 34 *Interim Financial Reporting* and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting*.


The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the Company's annual financial report for the year ended 31 March 2022.

These interim financial statements cover the unaudited results from operations for the six months ended 30 September 2022.

Accounting Policies

The Company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2022 full year financial statements. Accounting policies that are relevant to an understanding of the financial statements are designated by a  symbol.

Critical Judgements, Estimates and Assumptions

The preparation of interim 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 interim financial statements. There were no material estimates or assumptions required in the preparation of these interim financial statements.

Authorisation of Interim Financial Statements

The Kingfish Board of Directors authorised these interim financial statements for issue on 17 November 2022.

No party may change these interim financial statements after their issue.

Note 2 Investments

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

The fair value of 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.

KINGFISH LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Note 2 Investments (continued)

	30-Sep-22	31-Mar-22
	unaudited	audited
	\$000	\$000
Investments at Fair Value through Profit or Loss		
New Zealand listed equity investments	434,280	494,850
Total investments at fair value through profit or loss	434,280	494,850

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All investments held by Kingfish are categorised as Level 1 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the period (30 September 2021: none).

	6 months	6 months
	ended	ended
	30-Sep-22	30-Sep-21
	unaudited	unaudited
	\$000	\$000
Net Changes in Fair Value of Investments		
New Zealand listed equity investments	(50,925)	57,144
Net changes in fair value of investments	(50,925)	57,144

Note 3 Operating Expenses

Management fees (note 7(a)(i))	1,772	3,575
Performance fees (note 7(a)(i))	-	2,020
Administration services (note 7(a)(i))	79	79
Directors' fees (note 7(b))	92	93
Custody, accounting and brokerage	239	230
Investor relations and communications	113	110
NZX fees	50	35
Professional fees	22	31
Fees paid to the auditor:		
Statutory audit and review of financial statements ¹	26	26
Non-assurance services ²	-	2
Regulatory expenses	29	13
Other operating expenses	36	23
Total operating expenses	2,458	6,237

¹ Statutory audit and review of financial statements for the prior period includes a fee of \$3,622 for additional work in respect of the financial statements for the year ended 31 March 2021.

² Non-assurance services relate to additional agreed upon procedures which were accrued for but not performed in respect of the performance fee calculation for the year ended 31 March 2021. No other fees were paid to the auditor.

Note 4 Shareholders' Equity

a. Share Capital

Kingfish has 325,169,647 fully paid ordinary shares on issue (31 March 2022: 320,875,194). 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.

KINGFISH LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Note 4 Shareholders' Equity (continued)

b. Dividends

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

	2022	Cents per		2021	Cents per
	\$000	share		\$000	share
23 Jun 2022	10,140	3.16	25 Jun 2021	11,233	3.60
23 Sep 2022	9,143	2.83	24 Sep 2021	11,060	3.52
	19,283	5.99		22,293	7.12

c. Dividend Reinvestment Plan

Kingfish 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 period ended 30 September 2022, 4,294,453 ordinary shares totalling \$6,642,697 (30 September 2021: 4,255,930 ordinary shares totalling \$8,347,770) 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 Kingfish before the next record date.

Note 5 Earnings per Share

	6 months	6 months
	ended	ended
	30-Sep-22	30-Sep-21
	unaudited	unaudited
	\$000	\$000
Basic Earnings per Share		
Net operating (loss)/profit attributable to shareholders of the Company (\$'000)	(48,400)	56,930
Weighted average number of ordinary shares on issue net of treasury stock ('000)	322,150	313,246
Basic (losses)/earnings per share	(15.02c)	18.17c
Diluted Earnings per Share		
Net operating (loss)/profit attributable to shareholders of the Company (\$'000)	(48,400)	56,930
Weighted average number of ordinary shares on issue net of treasury stock ('000)	322,150	313,246
Diluted effect of warrants on issue (\$'000) ¹	-	-
	322,150	313,246
Diluted (losses)/earnings per share	(15.02c)	18.17c

¹ 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 \$1.90 was greater than the average share price of \$1.74 between the date of issue and 30 September 2022.

KINGFISH LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Note 6 Reconciliation of Net Operating Profit after Tax to Net Cash Flows	6 months ended 30-Sep-22 unaudited \$000	6 months ended 30-Sep-21 unaudited \$000
Net operating (loss)/profit after tax	(48,400)	56,930
Items not involving cash flows		
Unrealised losses/(gains) on revaluation of listed equity investments	66,951	(41,877)
	66,951	(41,877)
Impact of changes in working capital items		
(Decrease)/increase in trade and other payables	(217)	(6,277)
Decrease/(increase) in trade and other receivables	1,618	(1,248)
	1,401	(7,525)
Items relating to investments		
Amount paid for purchases of listed equity investments	(38,621)	(31,005)
Amount received from sales of listed equity investments	33,499	22,355
Movements in unsettled purchases of listed equity investments	173	1,487
Movements in unsettled sales of listed equity investments	(1,432)	713
	(6,381)	(6,450)
Net cash inflows from operating activities	13,571	1,078

Note 7 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 Kingfish by virtue of its management agreement.

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

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

KINGFISH LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Note 7 Related Party Information (continued)

a. Fisher Funds Management Limited (continued)

(i) Fees earned, accrued and payable	6 months ended 30-Sep-22 unaudited \$000	6 months ended 30-Sep-21 unaudited \$000
Fees earned by and accrued to the Manager for the period ended 30 September		
Management fees (net of rebate (7(a)(ii)))	1,772	3,575
Performance fees	-	2,020
Administration services	79	79
Operating expenses	1,851	5,674

For the six months ended 30 September 2022, the Manager did not achieve a return in excess of the performance fee hurdle return and the HWM (30 September 2021: excess returns of \$19,904,627 were generated). Accordingly, the Company has not expensed a performance fee (2021: Performance fee of \$2,020,320 was expensed).

	30-Sep-22 unaudited \$000	31-Mar-22 audited \$000
Fees accrued and payable to the Manager		
Management fees	477	534
Performance fees payable	-	-
Administration services	13	13
Related party payables	490	547

(ii) Other income earned and credit note

Income received from the Manager for the year ended 30 September 2021

GST refund

On 30 April 2021, Fisher Funds received a GST refund plus use of money interest (UOMI) from the Inland Revenue. 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 only required to charge 1.5% GST on management fees. The total GST refund was \$1,413,475, being overcharged GST refunded of \$1,385,125 and UOMI of \$28,350.

The GST refund was received by Kingfish in May 2021.

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

	30-Sep-22 unaudited \$000	31-Mar-22 audited \$000
Management fee credit note		
Management fee credit note receivable	-	1,688
Management fee credit note accrued	1,181	-
Related party receivable	1,181	1,688

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 as the gross return underperformed the NZ 90 Day Bank Bill Index by 10.3% (31 March 2022: 3.5%). The Company has accrued a credit of \$1,181,070 which is offset against the management fee expense for the period (30 September 2021: Nil).

Note 7 Related Party Information (continued)
a. Fisher Funds Management Limited (continued)

(iii) Investment transactions with related parties

Off-market transactions between Kingfish 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). There were no purchases for the period ended 30 September 2022 (30 September 2021: Nil) and sales totalled \$3,398,118 (30 September 2021: \$1,458,243).

b. Directors

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

During the period the Directors earned fees for their services of \$92,417 (September 2021: \$93,416). The directors' fee pool is \$157,500 (plus GST, if any) for the year ended 31 March 2023 (31 March 2022: \$157,500 + GST). There were no Director fees payable at the end of the period (31 March 2022: nil).

The Directors held shares in the Company as at 30 September 2022 which total 0.04% of total shares on issue (31 March 2022: 0.06%). The Directors held warrants in the Company as at 30 September 2022 which total 0.03% of total warrants on issue (31 March 2022: 0.06%).

Dividends of \$7,042 (30 September 2021: \$511,857) were also received by Directors as a result of their shareholding during the period. The reduction in dividends received is a result of a change in Directors during the previous financial year.

Note 8 Net Asset Value

The unaudited net asset value per share of Kingfish as at 30 September 2022 was \$1.37 (31 March 2022: \$1.58) calculated as the net assets of \$444,365,595 divided by the number of shares on issue of 325,169,647 (31 March 2022: net assets of \$505,409,400 and shares on issue of 320,875,194).

Note 9 Subsequent Events

On 17 November 2022, the Board declared a dividend of 2.86 cents per share. The record date for this dividend is 2 December 2022 with a payment date of 16 December 2022.

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



Independent auditor's review report

To the shareholders of Kingfish Limited

Report on the interim financial statements

Our conclusion

We have reviewed the interim financial statements of Kingfish Limited (the Company), which comprise the statement of financial position as at 30 September 2022, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six-month period ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial statements of the Company do not present fairly, in all material respects, the financial position of the Company as at 30 September 2022, and its financial performance and cash flows for the six-month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the interim financial statements* section of our report.

We are independent of the Company in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.

Responsibilities of the Directors for the interim financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.



Who we report to

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

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

For and on behalf of:

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

Chartered Accountants
17 November 2022

Auckland