
BARRAMUNDI LIMITED
FINANCIAL STATEMENTS CONTENTS
FOR THE YEAR ENDED 30 JUNE 2020

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BARRAMUNDI LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
Interest income		27	81
Dividend income		3,030	3,273
Net changes in fair value of financial assets and liabilities	2	12,677	7,573
Other losses	3	(66)	(76)
Total net income		15,668	10,851
Operating expenses	4	(3,007)	(2,265)
Operating profit before tax		12,661	8,586
Total tax expense	5	(136)	(1,158)
Net operating profit after tax attributable to shareholders		12,525	7,428
Total comprehensive income after tax attributable to shareholders		12,525	7,428
Basic earnings per share	7	6.44c	4.40c
Diluted earnings per share	7	6.42c	4.37c

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

BARRAMUNDI LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020


<i>Attributable to shareholders of the Company</i>				
Notes	Share Capital \$000	Performance Fee Reserve \$000	(Accumulated Deficits)/ Retained Earnings \$000	Total Equity \$000
Balance at 1 July 2018	139,492	1,002	(23,330)	117,164
Comprehensive income				
Net operating profit after tax	0	0	7,428	7,428
Other comprehensive income	0	0	0	0
Total comprehensive income for the year ended 30 June 2019	0	0	7,428	7,428
Transactions with owners				
Share buybacks	6 (416)	0	0	(416)
Warrant issue costs	(27)	0	0	(27)
Dividends paid	6 0	0	(9,085)	(9,085)
New shares issued under dividend reinvestment plan	6 2,919	0	0	2,919
Shares issued from treasury stock under dividend reinvestment plan	6 322	0	0	322
Prior year Manager's performance fee settled with ordinary shares	917	(923)	0	(6)
Prior year Manager's performance fee settled with treasury stock	79	(79)	0	0
Total transactions with owners for the year ended 30 June 2019	3,794	(1,002)	(9,085)	(6,293)
Balance at 30 June 2019	143,286	0	(24,987)	118,299
Comprehensive income				
Net operating profit after tax	0	0	12,525	12,525
Other comprehensive income	0	0	0	0
Total comprehensive income for the year ended 30 June 2020	0	0	12,525	12,525
Transactions with owners				
Shares issued for warrants exercised	6 18,423	0	0	18,423
Share buybacks	6 (706)	0	0	(706)
Dividends paid	6 0	0	(10,950)	(10,950)
New shares issued under dividend reinvestment plan	6 3,176	0	0	3,176
Shares issued from treasury stock under dividend reinvestment plan	6 749	0	0	749
Total transactions with owners for the year ended 30 June 2020	21,642	0	(10,950)	10,692
Balance at 30 June 2020	164,928	0	(23,412)	141,516

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

BARRAMUNDI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
SHAREHOLDERS' EQUITY		141,516	118,299
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	10	2,416	2,269
Trade and other receivables	8	259	343
Financial assets at fair value through profit or loss	2	140,103	116,490
Total Current Assets		142,778	119,102
TOTAL ASSETS		142,778	119,102
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,104	202
Financial liabilities at fair value through profit or loss	2	6	17
Current tax payable	5	94	535
Total Current Liabilities		1,204	754
Non-current Liabilities			
Deferred tax liability	5	58	49
Total Non-current Liabilities		58	49
TOTAL LIABILITIES		1,262	803
NET ASSETS		141,516	118,299

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


A B Ryan
Chair
26 August 2020


C A Campbell
Chair of the Audit and Risk Committee
26 August 2020

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

BARRAMUNDI LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$000	2019 \$000
Operating Activities			
Sale of listed equity investments		50,654	30,873
Interest received		30	84
Dividends received		2,997	3,397
Other expenses		(86)	(6)
Purchase of listed equity investments		(61,742)	(31,082)
Operating expenses		(2,728)	(3,267)
Taxes paid		(568)	(264)
Net settlement of forward foreign exchange contracts		885	1,271
Net cash (outflows)/inflows from operating activities	10	(10,558)	1,006
Financing Activities			
Proceeds from warrants exercised		18,423	0
Warrant issue costs		0	(27)
Share buybacks		(706)	(434)
Dividends paid (net of dividends reinvested)		(7,025)	(5,844)
Net cash inflows/(outflows) from financing activities		10,692	(6,305)
Net increase/(decrease) in cash and cash equivalents held		134	(5,299)
Cash and cash equivalents at beginning of the year		2,269	7,644
Effects of foreign currency translation on cash balance		13	(76)
Cash and cash equivalents at end of the year	10	2,416	2,269

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-orientated 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.

The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

The impact of COVID-19 was assessed during the preparation of these financial statements and whether there were any indicators affecting the Company's ability to operate as a going concern. No indicators were identified, and the Company remains a going concern.


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 losses".


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.

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.

Changes to comparatives

Prior year comparatives in the Statement of Changes in Equity have been restated by reclassifying \$78,549 from Prior year Manager's performance fee settled with ordinary shares to Prior year Manager's performance fee settled with treasury stock.

Authorisation of Financial Statements

The Barramundi Board of Directors authorised these financial statements for issue on 26 August 2020.

No party may change these financial statements after their issue.

Note 2 Financial assets and liabilities at fair value through profit or loss



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 of Australian listed equity investment assets and forward foreign exchange contracts with positive value.

Financial liabilities at fair value through profit or loss comprise of 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 decline in equity markets as a result of COVID-19 adversely impacted the value of investments during the year, with markets since recovering by year end. Trading was not suspended as at year end for any of the investments held by the Company.

The fair value of forward foreign exchange contracts is determined by using valuation techniques based on spot exchange rates and forward points supplied by The World Markets Company PLC via Refinitiv.

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 quoted prices 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.



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 (2019: none).

There were no financial instruments classified as Level 3 at 30 June 2020 (2019: none). There have been no changes to the fair value hierarchy classification of investments as a result of COVID-19.

Financial assets and liabilities at fair value through profit or loss	2020	2019
	\$000	\$000
<i>Financial Assets:</i>		
Australian listed equity investments	140,067	115,540
Forward foreign exchange contracts	36	950
Total financial assets at fair value through profit or loss	140,103	116,490
<i>Financial Liabilities:</i>		
Forward foreign exchange contracts	6	17
Total financial liabilities at fair value through profit or loss	6	17
Net changes in fair value of financial assets and liabilities		
Australian listed equity investments	10,406	8,618
Foreign exchange gains/(losses) on Australian listed equity investments	2,289	(3,930)
(Losses)/gains on forward foreign exchange contracts	(18)	2,885
Net changes in fair value of financial assets and liabilities through profit or loss	12,677	7,573

The notional value of forward foreign exchange contracts held at 30 June 2020 was \$92,576,044 (2019: \$76,440,015).

BARRAMUNDI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 3 Other losses	2020	2019
	\$000	\$000
Foreign exchange losses on cash and cash equivalents and outstanding settlements	(66)	(76)
Total other losses	(66)	(76)
Note 4 Operating expenses	2020	2019
	\$000	\$000
Management fee (note 11)	1,705	1,440
Performance fee (note 11)	301	0
Administration services (note 11)	159	159
Directors' fees (note 11)	175	176
Brokerage	297	163
Investor relations and communications	132	116
Custody and accounting fees	49	47
NZX fees	54	54
Professional fees	42	31
Fees paid to the auditor:		
Statutory audit and review of financial statements	36	35
Non-assurance services ¹	2	0
Regulatory fees	15	13
Other operating expenses	40	31
Total operating expenses	3,007	2,265

¹ Non-assurance services 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:	2020	2019
	\$000	\$000
Operating profit before tax	12,661	8,586
Non-taxable realised gain on financial assets and liabilities	(5,747)	(7,862)
Non-taxable unrealised (gain)/loss on financial assets and liabilities	(6,833)	3,192
Fair Dividend Rate income	335	335
Exempt dividends subject to Fair Dividend Rate	(114)	(124)
Imputation credits	49	61
Non-deductible expenses and other	309	166
Taxable income	660	4,354
Tax at 28%	185	1,219
Imputation credits	(49)	(61)
Total tax expense	136	1,158
<i>Taxation expense comprises:</i>		
Current tax	127	799
Deferred tax	9	359
Total tax expense	136	1,158
Current tax balance		
Opening balance	(535)	1
Current tax movements	(127)	(799)
Tax paid	535	224
Credits used	33	39
Current tax payable	(94)	(535)

BARRAMUNDI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 5 Taxation (continued)	2020	2019
	\$000	\$000
Deferred tax balance		
Opening balance	(49)	309
Losses utilised	0	(390)
Accrued dividends	(9)	35
Other	0	(3)
Deferred tax liability	(58)	(49)

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 \$94,149 (2019: \$546,590). 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 2020.

Note 6 Shareholders' Equity

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 208,719,740 fully paid ordinary shares on issue (2019: 172,081,073). 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.

Buybacks

Barramundi maintains an ongoing share buyback programme. For the year ended 30 June 2020, Barramundi had acquired 1,112,889 shares valued at \$705,988 (2019: 671,901 shares, \$415,837) 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 (2019: 33,210).

Warrants

On 1 November 2018, 42,153,796 Barramundi warrants were allotted and quoted on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (31 October 2018). On 1 November 2019, 31,249,518 warrants valued at \$18,437,166, less issue costs of \$14,639 (net \$18,422,527), were exercised at \$0.59 per warrant, and the remaining 10,904,278 warrants lapsed.

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:

	2020	Cents per		2019	Cents per
	\$000	share		\$000	share
26 Sep 2019	2,390	1.39	28 Sep 2018	2,337	1.40
19 Dec 2019	2,932	1.44	21 Dec 2018	2,389	1.42
27 Mar 2020	2,975	1.45	28 Mar 2019	2,121	1.25
26 Jun 2020	2,653	1.28	27 Jun 2019	2,238	1.31
	10,950	5.56		9,085	5.38

Note 6 Shareholders' Equity (continued)

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 2020, 6,502,038 ordinary shares totalling \$3,925,414 (2019: 5,506,913 ordinary shares totalling \$3,241,095) 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.

	2020	2019
Basic earnings per share		
Profit attributable to owners of the Company (\$'000)	12,525	7,428
Weighted average number of ordinary shares on issue net of treasury stock ('000)	194,376	168,926
Basic earnings per share	6.44c	4.40c
Diluted earnings per share		
Profit attributable to owners of the Company (\$'000)	12,525	7,428
Weighted average number of ordinary shares on issue net of treasury stock ('000)	194,376	168,926
Diluted effect of warrants on issue ('000)	856	1,045
	195,232	169,971
Diluted earnings per share	6.42c	4.37c

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.

	2020	2019
	\$000	\$000
Interest receivable	0	3
Dividends receivable	211	172
Unsettled investment sales	0	149
Other receivables and prepayments	48	19
Total trade and other receivables	259	343

BARRAMUNDI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

	2020	2019
	\$000	\$000
Related party payable (note 11)	463	137
Unsettled investment purchases	594	0
Other payables and accruals	47	65
Total trade and other payables	1,104	202

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.

	2020	2019
	\$000	\$000
Cash - New Zealand dollars	528	745
Cash - Australian dollars	1,888	1,524
Cash and Cash Equivalents	2,416	2,269

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

Net operating profit after tax	12,525	7,428
Items not involving cash flows:		
Unrealised (gains)/losses on cash and cash equivalents	(13)	76
Unrealised (gains)/losses on revaluation of investments	(6,849)	3,216
Unrealised losses/(gains) on forward foreign exchange contracts	902	(1,614)
	(5,960)	1,678
Impact of changes in working capital items		
Increase/(decrease) in trade and other payables	902	(2,301)
Decrease in trade and other receivables	84	21
Change in current and deferred tax	(432)	894
	554	(1,386)
Items relating to investments		
Amount paid for purchases of investments	(61,742)	(31,082)
Amount received from sales of investments	50,654	30,873
Net amount received on settlement of forward foreign exchange contracts	885	1,271
Realised gains on investments	(6,731)	(9,176)
(Increase)/decrease in unsettled purchases of investments	(594)	1,233
(Decrease)/increase in unsettled sales of investments	(149)	149
	(17,677)	(6,732)
Other		
Decrease in share buybacks payable	0	18
	0	18
Net cash (outflows)/inflows from operating activities	(10,558)	1,006

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.

Transactions with related parties

The Manager of Barramundi is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Management Agreement. In return for the performance of its duties as Manager, Fisher Funds is paid the following fees:

(i) 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.

(ii) Performance fee: Fisher Funds may earn an annual performance fee of 10% plus GST (2019: 15% 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"). From 1 July 2019 the total performance fee amount is subject to a cap of 1.25% of the net asset value and is no longer partially settled by equity share payment, but 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.

For the year ended 30 June 2020, excess returns of \$2,966,757 (2019: \$nil) were generated and the net asset value per share before the deduction of a performance fee was \$0.68 (2019: \$0.69), which exceeded the HWM after adjustment for capital changes and distributions of \$0.57 (2019: \$0.70). Accordingly, the Company has expensed a performance fee of \$301,126 (2019: \$nil was expensed).

(iii) Administration fee: Fisher Funds provides corporate administration services and a monthly fee is charged.

Fees earned, accrued and payable:	2020	2019
	\$000	\$000
Fees earned by and accrued to the Manager for the year ended 30 June		
Management fees	1,705	1,440
Performance fees	301	0
Administration services	159	159
Total fees earned by and accrued to the Manager	2,165	1,599

Fees payable to the Manager at 30 June

Management fees	149	124
Performance fees payable in cash	301	0
Administration services	13	13
Total amount payable to the Manager	463	137

Investments by the Manager

The Manager held shares in the Company until August 2019 when its holding was sold (2019: \$1,390,621). No dividends were paid to the Manager during the year (2019: \$118,755).

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 2020 totalled \$3,388,954 (2019: \$169,685) and sales totalled \$55,960 (2019: \$464,230).

Note 11 Related Party Information (continued)

Directors

The directors of Barramundi are the only key management personnel and they are paid a fee for their services. The directors' fee pool is \$157,500 (plus GST if any) per annum (2019: \$157,500). The amount paid to directors (inclusive of GST for three directors) is disclosed in note 4 under directors' fees (all directors earn a director's fee).

The directors or their associates also held shares in the Company at 30 June 2020 and previously held warrants on issue at 30 June 2019. The table below shows a reconciliation of opening and closing share holdings and warrant holdings for all directors or their associates:

	2020	2019
	\$000	\$000
Opening value of shares held by directors or their associates	1,300	1,215
Plus shares issued for warrants exercised	333	23
Plus other share purchases	1,353	0
Plus share price movements	347	62
Closing value of shares held by directors or their associates	3,333	1,300
Opening value of warrants held by directors or their associates	8	0
Plus new warrants issued and price movements	11	8
Less warrants exercised	(19)	0
Closing value of warrants held by directors or their associates	0	8

Dividends of \$260,404 (2019: \$156,434) were also received by directors or their associates as a result of their shareholding.

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. There were no companies individually comprising more than 10% of Barramundi's total assets at 30 June 2020 (2019: none).

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.

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.

BARRAMUNDI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 12 Financial Risk Management (continued)

Market Risk (continued)

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:

		2020	2019
		\$000	\$000
Price risk ¹			
Australian listed equity investments	Carrying value	140,067	115,540
	Impact of a 20% change in market prices: +/-	28,013	
	Impact of a 10% change in market prices: +/-		11,554
Interest rate risk ²			
Cash and cash equivalents	Carrying value	2,416	2,269
	Impact of a 1% change in interest rates: +/-	24	23
Currency risk ³			
Cash and cash equivalents	Carrying value	1,888	1,524
	Impact of a +10% change in exchange rates	(172)	(139)
	Impact of a -10% change in exchange rates	210	169
Australian listed equity investments	Carrying value	140,067	115,540
	Impact of a +10% change in exchange rates	(12,733)	(10,504)
	Impact of a -10% change in exchange rates	15,563	12,838
Forward foreign exchange contracts	Carrying value	30	933
	Impact of a +10% change in exchange rates	8,416	6,949
	Impact of a -10% change in exchange rates	(10,286)	(8,493)
Net foreign currency payables/receivables	Carrying value	(385)	323
	Impact of a +10% change in exchange rates	35	(29)
	Impact of a -10% change in exchange rates	(43)	36

¹ The impact of COVID-19 caused the Company to review the adequacy of the market price risk sensitivity analysis. A variable of 20% (2019: 10%) is considered appropriate for market price risk sensitivity based on the impact of COVID-19, as well as based on historical price movements.

² Current market circumstances caused the Company to review the adequacy of the interest rate risk sensitivity. The 1% variable used in the previous period is considered to continue to be appropriate to illustrate the impact of COVID-19, as well as a reasonable possible movement based on historic trends. The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate.

³ Current market circumstances caused the Company to review the adequacy of the currency risk sensitivity. The 10% variable used in the previous period is considered to continue to be appropriate to illustrate the impact of COVID-19, as well as a reasonable possible movement based on historic trends.

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.

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 2020 (2019: nil).

All derivative financial liabilities held by the Company have contractual maturities of 3 months or less.

There have been no subsequent events to suggest any issues with satisfying working capital and investment requirements and COVID-19 has not impacted the liquidity risk profile.

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 2020 was \$0.68 (2019: \$0.69), calculated as the net assets of \$141,516,499 divided by the number of shares on issue of 208,719,740 (2019: net assets of \$118,299,331 and shares on issue of 172,081,073).

Note 14 Commitments and Contingent Liabilities

There were no unrecognised contractual commitments or contingent liabilities as at 30 June 2020 (2019: nil).

Note 15 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.

Note 16 Subsequent Events

The Board declared a dividend of 1.34 cents per share on 26 August 2020. The record date for this dividend is 10 September 2020 with a payment date of 25 September 2020.

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

We have audited the financial statements which comprise:

- the statement of financial position as at 30 June 2020;
- 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.

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 2020, 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).

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.

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.

Our firm carries out an agreed-upon procedures engagement for the Company in relation to the performance fee calculation. Our firm also provided factual tax information to Fisher Funds Management Limited (the Investment Manager) that was generic but relevant to the Company. The provision of these other services has not impaired our independence as auditor of the Company.


Key audit matter

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*. The 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.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation and existence of Australian listed equity investments</i></p> <p>Australian listed equity investments (the investments) are valued at \$140.1 million and represent 98% of total assets.</p> <p>Further disclosures on the investments are included in note 2 to the financial statements. 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 2020, all investments were in companies that were listed on the ASX and were actively traded with readily available, quoted market prices. The market prices are quoted in Australian dollars, which are then translated to New Zealand dollars using the exchange rate at 30 June 2020.</p> <p>Management assessed the impact of COVID-19 on the Company's financial statements including the investments and included additional disclosures in relation to the investments, market price risk sensitivity and liquidity risk.</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.</p> <p>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 2019 to 31 March 2020. Trustees Executors Limited has confirmed that there has been no material change to the control environment in the period from 1 April 2020 to 30 June 2020.</p> <p>We agreed the price for all investments held at 30 June 2020 and the exchange rate at which they have been converted from Australian dollars to New Zealand dollars to independent third-party pricing sources.</p> <p>We have considered the impact of COVID-19 on the valuation of investments, including the disclosures provided in note 2.</p> <p>No matters arose from the procedures performed.</p>

Our audit approach

Overview

	<p>An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement.</p> <p>Overall materiality: \$707,000, which represents approximately 0.5% of the net assets. We used this 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>As reported earlier, we have one key audit matter, being: <i>Valuation and existence of Australian listed equity investments</i>.</p>
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Materiality

The scope of our audit was influenced by our application of materiality.

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.

Audit scope

We designed our audit by assessing the risks of material misstatement in the financial statements and our application of materiality. 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 type of investments held by the Company, the use of third-party service providers, the related accounting processes and controls, and the industry in which the Company operates.

The Directors are responsible for the governance and the control activities of the Company. The Directors have delegated certain responsibilities to the Investment Manager and Trustees Executors Limited (the Administrator and the Custodian).

In establishing our overall audit approach, we assessed the risk of material misstatement, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the Company's interaction with the Investment Manager and the Administrator and the control environment in place at the Administrator and the Custodian.

Information other than the financial statements and auditor's report

The Directors are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not and will not express any form of assurance conclusion on the other information.

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. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard, except that not all other information was available to us at the date of our signing.

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.



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/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-2/>

This description forms part of our auditor's report.

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.

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 dark ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

Chartered Accountants
26 August 2020

Auckland