
BARRAMUNDI LIMITED
INTERIM FINANCIAL STATEMENTS CONTENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

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BARRAMUNDI LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Notes	6 months ended 31/12/18 unaudited \$000	6 months ended 31/12/17 unaudited \$000
Interest income		47	52
Dividend income		1,569	1,386
Net changes in fair value of financial assets and liabilities	2	(11,913)	12,404
Other (losses)/income	3	(128)	127
Total net (loss)/income		(10,425)	13,969
Operating expenses	4	(885)	(2,029)
Operating (loss)/profit before tax		(11,310)	11,940
Total tax (expense)/benefit		(895)	719
Net operating (loss)/profit after tax		(12,205)	12,659
Other comprehensive (loss)/income		0	0
Total comprehensive (loss)/income after tax		(12,205)	12,659
Basic earnings per share	6	-7.29c	8.35c
Diluted earnings per share	6	-7.29c	8.33c

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

BARRAMUNDI LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Notes	<i>Attributable to shareholders of the company</i>			
		Share Capital \$000	Performance Fee Reserve \$000	Accumulated Deficits \$000	Total Equity \$000
Balance at 1 July 2017 (audited)		130,081	0	(35,316)	94,765
Comprehensive income					
Profit for the period		0	0	12,659	12,659
Other comprehensive income		0	0	0	0
Total comprehensive income for the period ended 31 December 2017		0	0	12,659	12,659
Transactions with owners					
Shares issued for warrants exercised	5	8,564	0	0	8,564
Dividends paid	5	0	0	(4,066)	(4,066)
Shares issued from treasury stock under dividend reinvestment plan	5	1,060	0	0	1,060
New shares issued under dividend reinvestment plan	5	406	0	0	406
Share buybacks	5	(1,525)	0	0	(1,525)
Current period Manager's performance fee to be settled with ordinary shares		0	464	0	464
Total transactions with owners for the period ended 31 December 2017		8,505	464	(4,066)	4,903
Balance at 31 December 2017 (unaudited)		138,586	464	(26,723)	112,327
Balance at 1 July 2018 (audited)		139,492	1,002	(23,330)	117,164
Comprehensive loss					
Loss for the period		0	0	(12,205)	(12,205)
Other comprehensive income		0	0	0	0
Total comprehensive loss for the period ended 31 December 2018		0	0	(12,205)	(12,205)
Transactions with owners					
Warrant issue costs		(27)	0	0	(27)
Dividends paid	5	0	0	(4,726)	(4,726)
Shares issued from treasury stock under dividend reinvestment plan	5	178	0	0	178
New shares issued under dividend reinvestment plan	5	1,530	0	0	1,530
Share buybacks	5	(252)	0	0	(252)
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 period ended 31 December 2018		2,425	(1,002)	(4,726)	(3,303)
Balance at 31 December 2018 (unaudited)		141,917	0	(40,261)	101,656

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

BARRAMUNDI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31/12/18 unaudited \$000	30/06/18 audited \$000
SHAREHOLDERS' EQUITY		101,656	117,164
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents		1,806	7,644
Trade and other receivables		332	364
Financial assets at fair value through profit or loss	2	100,211	111,978
Current tax receivable		0	1
Total Current Assets		102,349	119,987
Non-current Assets			
Other receivable		0	37
Deferred tax asset		0	309
Total Non-current Assets		0	346
TOTAL ASSETS		102,349	120,333
LIABILITIES			
Current Liabilities			
Trade and other payables		261	2,489
Financial liabilities at fair value through profit or loss	2	93	680
Current tax payable		339	0
Total Current Liabilities		693	3,169
TOTAL LIABILITIES		693	3,169
NET ASSETS		101,656	117,164

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



A B Ryan
Chair
25 February 2019



C A Campbell
Chair of the Audit and Risk Committee
25 February 2019

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

BARRAMUNDI LIMITED
STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

		6 months ended 31/12/18 unaudited \$000	6 months ended 31/12/17 unaudited \$000
	Notes		
Operating Activities			
Sale of investments		18,189	22,727
Interest received		51	48
Dividends received		1,867	1,522
Other income received		0	4
Purchase of investments		(20,018)	(22,295)
Operating expenses		(2,231)	(1,117)
Other expenses		(66)	0
Taxes paid		(246)	(539)
Net cash (outflows)/inflows from operating activities	7	(2,454)	350
Financing Activities			
Proceeds from warrants exercised		0	8,564
Warrant issue costs		(27)	0
Share buybacks		(270)	(1,525)
Dividends paid (net of dividends reinvested)		(3,018)	(2,595)
Net cash (outflows)/inflows from financing activities		(3,315)	4,444
Net (decrease)/increase in cash and cash equivalents held		(5,769)	4,794
Cash and cash equivalents at beginning of the period		7,644	7,703
Effects of foreign currency translation on cash balance		(69)	116
Cash and cash equivalents at end of the period		1,806	12,613

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

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

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

The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand Equivalent to International Accounting Standard 34 ("NZ IAS 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 30 June 2018.


These interim financial statements cover the unaudited results from operations for the six months ended 31 December 2018.

Accounting Policies

The company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2018 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 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 25 February 2019.

No party may change these financial statements after their issue.

Note 2 Investments

	31/12/18	30/06/18
Financial assets and liabilities at fair value through profit or loss	unaudited	audited
	\$000	\$000
<i>Financial Assets:</i>		
<i>Investments designated at fair value through profit or loss</i>		
Australian listed equity investments	100,208	111,978
<i>Financial assets at fair value through profit or loss - held for trading</i>		
Forward foreign exchange contracts	3	0
Total financial assets at fair value through profit or loss	100,211	111,978
<i>Financial Liabilities:</i>		
<i>Financial liabilities at fair value through profit or loss - held for trading</i>		
Forward foreign exchange contracts	93	680
Total financial liabilities at fair value through profit or loss	93	680

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Note 2 Investments (continued)

	6 months ended 31/12/18 unaudited \$000	6 months ended 31/12/17 unaudited \$000
Net changes in fair value of financial assets and liabilities		
<i>Financial assets designated at fair value through profit or loss</i>		
Australian equity investments	(10,968)	10,879
Foreign exchange (losses)/gains on equity investments	(3,424)	4,003
Total (losses)/gains on designated financial assets	(14,392)	14,882
<i>Financial assets and liabilities at fair value through profit or loss - held for trading</i>		
Gains/(losses) on forward foreign exchange contracts	2,479	(2,478)
Total gains/(losses) on financial assets and liabilities held for trading	2,479	(2,478)
Net changes in fair value of financial assets and liabilities	(11,913)	12,404

The notional value of forward foreign exchange contracts held at 31 December 2018 was \$59,812,834 (30 June 2018: \$61,704,132).

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All 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.

	6 months ended 31/12/18 unaudited \$000	6 months ended 31/12/17 unaudited \$000
Note 3 Other (losses)/income		
Foreign exchange (losses)/gains on cash and cash equivalents	(128)	127
Total other (losses)/income	(128)	127

Note 4 Operating expenses

Management fee (note 8)	457	659
Performance fee (note 8)	0	941
Administration services (note 8)	79	79
Directors' fees (note 8)	88	60
Brokerage	93	128
Investor relations and communications	73	69
Custody and accounting fees	24	27
NZX fees	27	21
Professional fees	9	14
Fees paid to the auditor:		
Statutory audit and review of financial statements	14	17
Non-assurance services ¹	3	0
Regulatory fees	4	1
Other operating expenses	14	13
Total operating expenses	885	2,029

¹ Non-assurance services relate to annual shareholders meeting procedures and agreed upon procedures performed in respect of the performance fee calculation. No other fees were paid to the auditor during the period (31 December 2017: nil).

Note 5 Shareholders' equity

Share Capital

Barramundi has 169,718,415 fully paid ordinary shares on issue (30 June 2018: 165,630,469). 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.

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Note 5 Shareholders' equity

Buybacks

Barramundi maintains an ongoing share buyback programme. In the six month period to 31 December 2018, Barramundi acquired 401,191 (31 December 2017: 2,577,006) shares 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 (31 December 2017: 720,100 and 30 June 2018: 30,000).

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). The warrants are exercisable at \$0.64 per warrant, adjusted down for dividends declared during the period up to the exercise date of 25 October 2019. Warrant holders can elect to exercise some or all of their warrants on the exercise date subject to a minimum exercise of 500 warrants. The net cost of issuing warrants is deducted from share capital.

On 22 November 2016, 36,471,368 Barramundi warrants were allotted and quoted on the NZX Main Board on 23 November 2016. One new warrant was issued to all eligible shareholders for every four shares held on record date (21 November 2016). On 24 November 2017, 14,832,269 warrants were exercised at \$0.58 per warrant and the remaining 21,639,099 warrants lapsed.

Dividends

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

	2018	Cents per		2017	Cents per
	\$000	share		\$000	share
28 Sep 2018	2,337	1.40	29 Sep 2017	1,932	1.30
21 Dec 2018	2,389	1.42	22 Dec 2017	2,134	1.31
	4,726	2.82		4,066	2.61

Dividend Reinvestment Plan

Barramundi has a dividend reinvestment plan which provides 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 31 December 2018 2,873,545 ordinary shares (31 December 2017: 2,595,549 ordinary shares) 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.

Performance Fee Reserve



The portion of any performance fee to be paid in ordinary shares is an equity share-based payment and is recognised at fair value in an equity reserve until the ordinary shares are issued.

Note 6 Earnings per Share

	6 months	6 months
	ended	ended
	31/12/18	31/12/17
	unaudited	unaudited
Basic earnings per share		
(Loss)/profit attributable to owners of the company (\$'000)	(12,205)	12,659
Weighted average number of ordinary shares on issue net of treasury stock ('000)	167,531	151,562
Basic earnings per share	-7.29c	8.35c
Diluted earnings per share		
(Loss)/profit attributable to owners of the company (\$'000)	(12,205)	12,659
Weighted average number of ordinary shares on issue net of treasury stock ('000)	167,531	151,562
Diluted effect of warrants on issue ('000)	0	494
	167,531	152,056
Diluted earnings per share	-7.29c	8.33c

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Note 7	Reconciliation of Net Operating (Loss)/Profit after Tax to Net Cash (Outflows)/Inflows from Operating Activities	6 months ended 31/12/18 unaudited \$000	6 months ended 31/12/17 unaudited \$000
	Net operating (loss)/profit after tax	(12,205)	12,659
	Items not involving cash flows:		
	Unrealised losses/(gains) on cash and cash equivalents	69	(116)
	Unrealised losses/(gains) on revaluation of investments	16,783	(9,670)
		16,852	(9,786)
	Impact of changes in working capital items		
	Decrease in trade and other payables	(2,234)	(509)
	Decrease in trade and other receivables	32	161
	Change in current and deferred tax	649	(1,258)
		(1,553)	(1,606)
	Items relating to investments		
	Amount paid for purchases of investments	(20,018)	(22,295)
	Amount received from sales of investments	18,189	22,621
	Return on capital	0	106
	Realised gains on investments	(4,870)	(2,734)
	Decrease in unsettled purchases of investments	1,133	921
		(5,566)	(1,381)
	Other		
	Decrease in share buybacks payable	18	0
	Performance fee to be settled by issue of shares	0	464
		18	464
	Net cash (outflows)/inflows from operating activities	(2,454)	350

Note 8 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 and having a director in common for one month. In return for the performance of its duties as Manager, Fishers 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. As at 31 December 2018, a management fee rebate of 0.5% totalling \$269,022 (31 December 2017: no adjustment) has been accrued in accordance with the Management Agreement, and recognised in trade and other receivables in the Statement of Financial Position.

(ii) Performance fee: Fisher Funds may earn an annual performance fee of 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").

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 30 days of the balance date and the Manager is required to apply half of the performance fee to subscribe for shares, issued at a price equal to the volume weighted average traded price ("VWAP") of ordinary shares over the last five trading days ended 30 June for the relevant year. Ordinary shares issued to the Manager rank equally in all respects with existing ordinary shares in Barramundi.

Note 8 Related Party Information (continued)

Transactions with related parties (continued)

(ii) Performance fee (continued)



Performance fees paid to the Manager are recognised as an expense in the Statement of Comprehensive Income. The portion paid in share capital is an equity-settled share-based payment and is recognised at the fair value of half of the performance fee expense (excluding GST) as an equity reserve until the ordinary shares are issued. The component paid in cash is treated in line with a typical operating expense.

At 31 December 2018 the Manager did not achieve a return in excess of the performance fee hurdle return and the HWM. For the period ended 31 December 2018, no excess returns (31 December 2017: \$6,182,205) were generated and the net asset value per share before the deduction of a performance fee was \$0.60 (31 December 2017: \$0.69), which did not exceed the HWM after adjustment for capital changes and distributions of \$0.67 (31 December 2017: \$0.55). Accordingly, the company has not accrued a performance fee in the Statement of Comprehensive Income for the period ended 31 December 2018 (31 December 2017: \$941,241 (including GST)).

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

	6 months ended 31/12/18 unaudited \$000	6 months ended 31/12/17 unaudited \$000
Fees earned and payable:		
Fees earned by the Manager		
Management fees	726	659
Management fee rebate	(269)	0
Performance fees	0	941
Administration services	79	79
Total fees earned by the Manager	536	1,679
	31/12/18 unaudited \$000	30/06/18 audited \$000
Fees payable to the Manager		
Management fees	109	122
Management fee rebate	(269)	0
Performance fees payable in cash	0	998
Administration services	13	13
Total amount (receivable from)/payable to the Manager	(147)	1,133

Investments by the Manager

The Manager held shares in, and received dividends from, the company at 31 December 2018 which total 1.30% of the total shares on issue (31 December 2017: 0.36% and 30 June 2018: 0.36%).

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 period ended 31 December 2018 totalled \$nil and sales totalled \$464,230 (31 December 2017: nil for purchases and nil for sales).

Directors

The directors of Barramundi are the only key management personnel and they earn a fee for their services. As approved by the shareholders on 19 October 2018, the directors' fee pool increased from \$125,000 to \$157,500 (plus GST, if any) per annum from 1 July 2018 (30 June 2018: \$125,000). The amount paid to directors is disclosed in note 4 under directors' fees.

The directors also held shares in the company at 31 December 2018 which total 1.21% of total shares on issue (31 December 2017: 1.23% and 30 June 2018: 1.22%) and 1.22% of total warrants on issue (31 December 2017: n/a and 30 June 2018: n/a). Dividends were also received by the directors as a result of their shareholding.

BARRAMUNDI LIMITED
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

Note 9 Net Asset Value

The unaudited net asset value per share of Barramundi as at 31 December 2018 was \$0.60 (31 December 2017: \$0.69 and 30 June 2018: \$0.71), calculated as the net assets of \$101,656,000 divided by the number of shares on issue of 169,718,415 (31 December 2017: net assets of \$112,327,000 and shares on issue of 163,954,715 and 30 June 2018: net assets of \$117,164,000 and shares on issue of 165,630,469).

Note 10 Subsequent Events

On 25 February 2019, the Board declared a dividend of 1.25 cents per share. The record date for this dividend is 14 March 2019 with a payment date of 28 March 2019.

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

