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BARRAMUNDI LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $000	2009 $000
Interest income		525	421
Dividend income		1,759	1,890
Foreign exchange losses on cash and cash equivalents	**1(i)**	(358)	(187)
Net changes in fair value on investments	**1(ii)**	15,010	(16,537)
Foreign exchange gains on forward contracts		1,564	300
Total net income / (loss)		**18,500**	**(14,113)**
Operating expenses	**1(iii)**	(2,024)	(1,217)
Operating profit / (loss) before tax		**16,476**	**(15,330)**
Total tax expense	**3(i)**	(495)	(387)
Net operating profit / (loss) after tax attributable to shareholders		**15,981**	**(15,717)**
Other comprehensive income		**0**	**0**
Total comprehensive income after tax attributable to shareholders		**15,981**	**(15,717)**
Earnings per share			
Basic earnings per share			
Profit/(loss) attributable to owners of the Company ($000)		*15,981*	*(15,717)*
Weighted average number of ordinary shares on issue net of treasury stock ('000)		*101,286*	*100,980*
		$ 0.16	***$ (0.16)***
Diluted earnings per share			
Profit/(loss) attributable to owners of the Company ($000)		*15,981*	*(15,717)*
Weighted average number of ordinary shares on issue net of treasury stock and adjusted for warrants ('000)			
- Weighted average ordinary shares on issue		*101,286*	*100,980*
- Weighted average warrants on issue		*50,230*	*49,447*
		151,516	***150,427***
		$ 0.11	***$ (0.10)***

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 21 should be read in conjunction with this Statement of Comprehensive Income

BARRAMUNDI LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 $000	2009 $000
Profit / (loss) for the year attributable to shareholders		**15,981**	**(15,717)**
Other comprehensive income		0	0
Total profit / (loss) and comprehensive income for the year attributable to shareholders		**15,981**	**(15,717)**
Contributions from owners			
Warrants exercised	**2**	276	0
Dividends reinvested	**2**	2,223	555
Distributions to owners			
Dividends paid	**4**	(6,930)	(2,019)
Share buybacks	**2**	(1,207)	(653)
Movements in equity for the year		**10,343**	**(17,834)**
Equity at beginning of year		72,783	90,617
Equity at end of year		**83,126**	**72,783**

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 21 should be read in conjunction with this Statement of Changes in Equity.

BARRAMUNDI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	2010 $000	2009 $000
ASSETS			
Current Assets			
Cash and cash equivalents		18,810	11,753
Trade and other receivables	**5**	34	543
Financial assets at fair value through profit or loss	**7**	64,866	60,757
Total Current Assets		**83,710**	**73,053**
Total Assets		**83,710**	**73,053**
LIABILITIES			
Current Liabilities			
Trade and other payables	**6**	314	123
Current tax payable	**3(ii)**	270	147
Total Current Liabilities		**584**	**270**
Total Liabilities		**584**	**270**
EQUITY			
Share capital	**2**	99,994	98,702
Accumulated deficits	**4**	(16,868)	(25,919)
Total Equity		**83,126**	**72,783**
Total Equity and Liabilities		**83,710**	**73,053**

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

R L Challinor
Director
23 August 2010

A M Cotton
Director
23 August 2010

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 21 should be read in conjunction with this Statement of Financial Position.

BARRAMUNDI LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	2010 $000	2009 $000
Operating Activities		
Cash was provided from:		
Sale of investments	27,552	13,252
Interest received	524	422
Dividends received	1,759	1,890
Realised foreign exchange gains on cash and cash equivalents	45	34
Cash was applied to:		
Purchase of investments	(14,756)	(9,324)
Operating expenses	(1,654)	(1,062)
Taxes paid	(372)	(749)
Net cash inflows from operating activities	**13,098**	**4,463**
Financing Activities		
Cash was provided from:		
Proceeds from warrant exercise	276	0
Cash was applied to:		
Share buybacks	(1,207)	(653)
Dividends paid (net of dividend reinvested)	(4,707)	(1,464)
Net cash outflows from financing activities	**(5,638)**	**(2,117)**
Net increase in cash and cash equivalents held	**7,460**	**2,346**
Cash and cash equivalents at beginning of year	11,753	9,628
Effects of foreign currency translation on cash balance	(403)	(221)
Cash and cash equivalents at end of year	**18,810**	**11,753**

All cash balances comprise short-term cash deposits.

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 21 should be read in conjunction with this Statement of Cash Flows.

	2010 $000	2009 $000
Reconciliation of operating profit/(loss) after tax to net cash flows from operating activities		
Net profit/(loss) after tax	**15,981**	**(15,717)**
Items not involving cash flows:		
Unrealised gain on cash and cash equivalents	403	221
(Gain)/loss on revaluation of fair value through profit or loss financial assets	(8,088)	16,005
	(7,685)	**16,226**
Impact of changes in working capital items		
Increase/(decrease) in fees and other payables	191	(71)
Decrease in interest, dividends and other receivables	509	44
Increase/(decrease) in current tax payable	123	(362)
	823	**(389)**
Items relating to investments		
Net amount received from investments	12,796	3,928
Realised (gain)/loss on investments	(8,486)	232
Increase in unsettled purchases of investments	(151)	(14)
(Decrease)/increase in unsettled sales of investments	(180)	197
	3,979	**4,343**
Net cash inflows from operating activities	**13,098**	**4,463**

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 21 should be read in conjunction with this Statement of Cash Flows.

GENERAL INFORMATION

Entity Reporting

The financial statements for the Barramundi Limited have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Legal Form & Domicile

Barramundi Limited is incorporated and domiciled in New Zealand.

The Company is a limited liability company, incorporated under the Companies Act 1993 on 8 September 2006.

Barramundi Limited is listed on the NZSX and is an issuer under the terms of the Financial Reporting Act 1993.

The Company is a profit-oriented entity and began operating as a listed investment company on 26 October 2006.

The Company's registered office is disclosed in the Directory.

Authorisation of Financial Statements

The Barramundi Board of Directors authorised these financial statements for issue on 23 August 2010.

No party may change these financial statements after their issue.

ACCOUNTING POLICIES

Period Covered by Financial Statements

These financial statements cover the audited results from operations for the year ended 30 June 2010.

Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"), the Companies Act 1993 and the Financial Reporting Act 1993. They comply with the New Zealand Equivalents to Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate. These financial statements comply with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board.

The following changes to NZ IFRS relevant to the Company's financial statements have been adopted for the 2010 financial year:

NZ IFRS 7 (Amendment): *Financial instruments – Disclosures* – The amendment requires enhanced disclosures about fair value measurement. In particular, the amendment requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (level 3).

As this change in accounting policy only results in additional disclosures, there is no impact on earnings or financial position.

NZ IAS 1 (Revised) *Presentation of Financial Statements* has been issued, effective for annual periods commencing on or after 1 January 2009 and has been adopted by the Company. This standard requires the preparation of a Statement of Comprehensive Income and certain changes to the presentation of the Statement of Changes in Equity; however, there is no impact on the measurement of amounts recognised in the financial statements.

The following standard has been issued but is not yet effective:

NZ IFRS 9: *Financial instruments* – This standard will eventually replace New Zealand equivalent to International Accounting Standard 39 ("NZ IAS 39") *Financial instruments – recognition and measurement* and is expected to be adopted by the Company in the year ending 30 June 2014. The standard is not expected to materially affect the Company's financial statements.

Any other new accounting standards and amendments not disclosed are not expected to have a material impact on the financial statements when they are initially applied.

Summary of significant accounting policies
The accounting policies that materially affect the recognition, measurement and disclosure of items in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows are set out below. These policies have been consistently applied to all the years presented.

Measurement Base
The financial statements have been prepared on the historical cost basis, as modified by the fair valuation of certain assets as identified in specific accounting policies below.

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.

Specifically these relate to the measurement of deferred tax assets and liabilities that reflect the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Cash and Cash Equivalents
Cash and cash equivalents includes cash in hand and short-term money market deposits. Cash and cash equivalents are classified as loans and receivables under NZ IAS 39.

Statement of Cash Flows
The following are definitions of the terms used in the Statement of Cash Flows:
(a) Operating activities include all principal revenue producing activities and other events that are not financing activities.
(b) Financing activities are those activities that result in changes in the size and composition of the capital structure.

Functional and Presentation Currency
The financial statements are presented in New Zealand Dollars, which is the Company's functional and presentation currency.

Foreign Currency Transactions and Translations
Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Income as foreign exchange gains or losses on cash.

Assets and liabilities denominated in foreign currencies at balance date are translated to the functional currency at the foreign currency exchange rates at that date. Foreign exchange gains and losses resulting from the translation of these balances at year end are recognised in the Statement of Comprehensive Income.

Translation differences on monetary financial assets and liabilities such as cash are recognised in the Statement of Comprehensive Income as Foreign Exchange Losses on Cash and Cash Equivalents.

Translation differences on non-monetary financial assets and liabilities such as equities at fair value through profit or loss are recognised in the Statement of Comprehensive Income within the fair value net gain or loss.

Interest Income & Dividend Income
Interest is accounted for as earned using the effective interest method.

Dividend income is recognised when the Company's right to receive payments is established (ex-dividend date).

Manager's Performance Fee
The performance fee is recognised in the Statement of Comprehensive Income on an accrual basis based on the performance of the Company up to the balance date. Refer to Note 11 of the Notes to the Financial Statements.

Share-Based Payments
The consideration for any performance fee paid to Fisher Funds Management Limited ("the Manager") is calculated in accordance with the management agreement described in Note 11 and comprises cash and Barramundi share capital in equal portions. Performance fees, where earned by the Manager, are paid annually within 30 days of balance date, relating to the preceding period and 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. These shares are issued at a price equal to volume weighted average traded price of ordinary shares in the Company over five trading days ending on the calculation date.

Income Tax
Current tax is calculated by reference to the amount of income taxes payable or recoverable in the tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the Company in respect of the taxable profits or losses to date. 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 is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company elected into the Portfolio Investment Entity ("PIE") regime on 1 October 2007.

Goods and Services Tax (GST)

The Company de-registered for GST on 9 April 2010 as it is no longer able to reclaim GST. The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

Investments at Fair Value Through Profit or Loss

Classification

Investments in listed entities are classified at fair value through profit or loss in the financial statements under NZ IAS 39. This designation on inception is to provide more relevant information given that the investment portfolio is managed, and performance evaluated, on a fair value basis, in accordance with a documented investment strategy.

Recognition & Measurement

All investments at fair value through profit or loss are initially recognised at fair value and are subsequently re-valued to reflect changes in fair value.

Net changes in the fair value of investments classified as fair value through profit or loss are recognised in the Statement of Comprehensive Income as they arise.

The fair values of investments at fair value through profit or loss traded in active markets are based on current market bid prices at balance date.

Transaction costs for all financial assets carried at fair value through profit or loss are expensed as incurred.

All purchases and sales of investments are recognised at trade date, which is the date on which the Company commits to purchase or sell the asset.

Dividend income from investments at fair value through profit or loss is separately recognised in the Statement of Comprehensive Income when the Company's right to receive payments is established (ex-dividend date).

Held for trading financial assets at fair value through profit or loss

Held for trading financial assets at fair value through profit or loss comprise of forward exchange contracts. The use of these contracts by the Company is limited to the risk management of their investments.

Forward exchange contracts are used as economic hedges for equity investments against currency risk. Therefore, they are accounted for on the same basis as those investments and are recognised at their fair value. Forward exchange contracts are measured at fair value both upon initial recognition and subsequently. Gains and losses arising from changes in the fair value are recognised in the Statement of Comprehensive Income when they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company makes short-term cash deposits or accrues trade receivables with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Trade Receivables

Trade receivables are initially recognised at fair value and subsequently carried at amortised cost less impairment where collection is doubtful. Receivables are assessed on a case-by-case basis for impairment. The fair value of trade receivables is equivalent to their carrying amount.

Trade Payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. The fair value of trade payables is equivalent to their carrying amount.

Financial Instruments

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, equity investments, trade receivables, trade payables and borrowings (when used). The various accounting policies associated with these financial instruments have been disclosed above.

Dividends Payable

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.

Segmental Reporting

Operating segments are identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker, which for the Company is deemed to be the Board of Directors and the Manager, to govern the Company's operations and assess its performance.

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors and Manager.

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. Refer to the Statement of Comprehensive Income for the earnings per share calculations.

Diluted earnings per share adjusts the weighted average number of ordinary shares assuming all warrants were exercised on the date of calculation of earnings per share. Refer to the Statement of Comprehensive Income for the diluted earnings per share calculation.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Share capital bought back by the Company reduces share capital and may be held as treasury stock at the value of the consideration paid. Treasury stock may later be re-issued which increases share capital by the fair value of the shares on issue date.

Note 1 Statement of Comprehensive Income

	2010 $000	2009 $000
(i) Foreign exchange gains/(losses) on cash and cash equivalents		
Unrealised losses	(403)	(221)
Realised gains	45	34
Total foreign exchange losses on cash and cash equivalents	**(358)**	**(187)**
(ii) Net changes in fair value of investments		
Fair value through profit or loss - designated		
Equity investments		
Unrealised	10,696	(14,140)
Realised	5,612	(1,620)
Foreign exchange on equity investments		
Unrealised	(3,030)	(1,926)
Realised	1,732	1,149
Total investment gains/(losses)	**15,010**	**(16,537)**
Fair value through profit or loss - held for trading		
Foreign exchange forward contracts gains		
Unrealised	422	62
Realised	1,142	238
Total foreign exchange gains on forward contracts	**1,564**	**300**
Total net changes in fair value of financial assets	**16,574**	**(16,237)**

(iii) Operating Expenses	2010 $000	2009 $000
Audit fees	33	33
Manager's fees (note 8)	1,255	564
Directors' fees	131	131
Brokerage fees	102	72
Custody and NZX fees	112	78
Personnel	98	113
Administration & other	39	27
Investor relations and communications	147	80
Registry fees	44	47
Taxation and legal services	63	72
Total operating expenses	**2,024**	**1,217**

Note 2 Share Capital

Ordinary Shares

As at 30 June 2010 there were 102,576,560 (30 June 2009: 101,444,890) fully paid Barramundi shares on issue, including treasury stock of 182,530 shares (30 June 2009: 843,186). All ordinary shares are classified as equity, rank equally and have no par value. All shares (with the exception of treasury stock) carry an entitlement to dividends and one vote attached to each fully paid ordinary share.

	2010 $000	2009 $000
Opening balance	98,702	98,800
Proceeds of shares issued for warrants exercised	276	0
Proceeds of new shares issued under the dividend reinvestment plan	640	0
Proceeds of shares issued from treasury stock under the dividend reinvestment plan	1,583	555
Share buybacks initially held as treasury stock	(1,207)	(653)
Closing balance	**99,994**	**98,702**

Treasury Stock

On 30 October 2009, Barramundi Limited announced the continuation of its share buyback programme of its ordinary shares in accordance with section 65 of the Companies Act 1993. All the shares acquired under the buyback scheme are initially held as treasury stock but are available to be re-issued. The net cost of treasury stock is deducted from share capital.

			Number of shares	
	2010 $000	2009 $000	2010 '000	2009 '000
Opening balance	462	364	843	519
Share buybacks	1,207	653	1,682	1,161
Shares re-issued under the dividend reinvestment plan	(1,583)	(555)	(2,342)	(837)
Closing balance	**86**	**462**	**183**	**843**

Warrants

Relating to the period, the following transactions affected warrants on issue by the Company:

(i) On 26 October 2009, the remaining Barramundi 2007 warrants (BRMWA) of 49,446,684 expired.

(ii) On 27 October 2009, 50,513,313 new Barramundi warrants (BRMWB) were allotted and listed on the NZSX. One new warrant was issued for every two shares held on record date to all eligible shareholders, exercisable at $0.75. The remaining exercise dates are: 24 August 2010, 23 November 2010, 22 February 2011, 24 May 2011, 23 August 2011 and 27 October 2011 (final exercise date). Holders can elect to exercise some or all of their warrants on any these dates subject to a minimum exercise of 500 warrants.

(iii) On 30 October 2009, Barramundi announced the continuation of its warrant buyback programme for up to a maximum of 2,500,000 warrants between 1 November 2009 and 31 October 2010. At 30 June 2010, no Barramundi warrants (BRMWB) had been acquired under the programme.

(iv) In the year to 30 June 2010, 368,523 warrants were converted to ordinary shares at $0.75 per share.

(v) As at 30 June 2010, there were 50,144,790 warrants (BRMWB) on issue. The fair value of the warrants based on the last trading price at 30 June 2010 was $0.05 each.

Note 3 Taxation

	2010 $000	2009 $000
(i) Taxation Expense		
Net profit/(loss) before tax	16,476	(15,330)
Taxable loss	**16,476**	**(15,330)**
Tax thereon at 30% (2009: 30%)	4,943	(4,599)
Non-taxable realised (gain)/loss on investments	(2,196)	141
Unrealised (gain)/loss not taxable	(2,300)	4,820
Dividends not taxable	(72)	(101)
Fair Dividend Rate income	78	104
Prior period adjustment	11	0
Non-deductible expenses	31	22
Taxation expense	**495**	**387**
Taxation expense comprises:		
Current tax	495	387
Deferred tax	0	0
	495	**387**
(ii) Tax payable		
Opening balance	147	509
Current tax movement	495	387
Tax paid	(372)	(749)
Current tax payable	**270**	**147**
(iii) Imputation credit account balances		
Opening balance	168	34
Net imputation credits attached to dividends paid	(203)	(134)
Taxation paid/refunded	192	268
Closing balance	**157**	**168**
(iv) Dividend withholding payment account balance		
Opening balance	321	383
Dividend withholding payment paid	101	622
Dividend withholding payment refunded	(422)	(684)
Closing balance	**0**	**321**

On 20 May 2010, the New Zealand Government announced a change in the corporate tax rate from 30% to 28% for the 2011/12 tax year. This does not impact these financial statements.

Note 4 Accumulated Deficits

	2010 $000	2009 $000
Balance at beginning of year	(25,919)	(8,183)
Net operating profit/(loss) for the year	15,981	(15,717)
Dividends paid	(6,930)	(2,019)
Balance at the end of the year	**(16,868)**	**(25,919)**

The following dividends were paid in the years ended 30 June:

	2010	2009
	Cents per share	
September	1.47	2.00
December	1.72	-
March	1.84	-
June	1.82	-
Total dividends for the year	**6.85**	**2.00**

Note 5 Trade and Other Receivables

	2010 $000	2009 $000
Interest receivable	2	1
Unsettled investment sales	17	197
Related party receivable (note 8)	0	342
Other receivables	15	3
Total Trade and Other Receivables	**34**	**543**

Trade receivables are classified as loans and receivables under NZ IAS 39. Total loans and receivables are $18,844,000 (30 June 2009: $11,954,000) being cash plus trade and other receivables.

Note 6 Trade and Other Payables

	2010 $000	2009 $000
Related party payable (note 8)	100	51
Unsettled investment purchases	165	14
Accruals & other payables	49	58
Total Trade and Other Payables	**314**	**123**

Trade payables are classified as other financial liabilities under NZ IAS 39.
All payables are contractually required to be paid within three months.

Note 7 Financial assets at fair value through profit or loss

Investments at fair value through profit or loss are summarised as follows:	**$000**	**$000**
Financial assets at fair value through profit or loss - designated		
Australian listed equity investments at cost	86,273	90,251
Unrealised losses on Australian listed equity investments	(21,890)	(29,556)
Financial assets at fair value through profit or loss - held for trading		
Fair value of foreign exchange forward contracts	483	62
Total financial assets at fair value through profit or loss	**64,866**	**60,757**

Although investments at fair value through profit or loss are treated as current assets from an accounting point of view, the investment strategy of the company is to hold for the medium to long-term.

All investments at fair value through profit or loss are valued using quoted bid prices from an active market and are classified as Level 1 in the fair value hierarchy.

Foreign exchange contracts are valued using market prices (as they are not quoted), and they are classified as level 2 in the fair value hierarchy. The notional value of foreign exchange contracts held at 30 June 2010 was $40m (30 June 2009: $12m).

OTHER DISCLOSURES

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.

The Manager of Barramundi Limited is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the common directorship and a management agreement.

The management agreement with Fisher Funds provides for the provisional payment of a management fee equal to 1.25% per annum of the Gross Asset Value, calculated weekly and payable monthly in arrears. This management fee is reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial period is less than the change in the NZX 90-Day Bank Bill Index over the same period but subject to a minimum management fee of 0.75% of the average Gross Asset Value for that period. No such adjustment to the management fee was necessary at balance date (30 June 2009: $341,638).

Management fees paid or payable (inclusive of GST) to Fisher Funds for the year ending 30 June 2010 totalled $1,255,441 (30 June 2009: $563,943), with $100,113 being payable at 30 June 2010 (30 June 2009: $51,487). During the year to 30 June 2010, the management fee was calculated and invoiced at 1.25% of Gross Asset Value (30 June 2009: 0.75%).

In addition, the management agreement provides for the payment of a performance fee to the Manager under certain circumstances. No performance fee has been earned by the Manager for the year ended 30 June 2010, see Note 11 (30 June 2009: Nil).

Barramundi's corporate management team are employed by Fisher Funds to provide management services to Barramundi. The corporate team's remuneration is recharged by Fisher Funds and the cost for the year ended 30 June 2010 was $97,581 (30 June 2009: $112,614). These costs do not include any key management personnel compensation.

Administration and marketing costs incurred by Fisher Funds on behalf of Barramundi amounted to $20,720 for year ended 30 June 2010 and were recharged in full to Barramundi (30 June 2009: $32,194).

The Directors of Barramundi are the only key management personnel and they earn a fee for their services which is disclosed in note 1(iii) under Directors' fees (only independent Directors earn Directors' fees). The Directors also held shares in the Company at 30 June 2010 which are disclosed in the Statutory Information section of the Annual Report and total 0.86% of total shares on issue (30 June 2009: 0.87%). The Directors did not receive any other benefits which may have necessitated disclosure under NZ IAS 24 *Related Party Disclosures* (paragraph 16).

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 (arm's length). During the year, off-market transactions between Barramundi and other funds managed by Fisher Funds totalled $13,000 for purchases and $0 for sales (year ended 30 June 2009: purchases $2,246,000 and sales $349,000).

Note 9 Financial Risk Management Policies

The Company is subject to a number of financial risks which arise as a result of its investment activities, including; market risk (price, interest rate, and currency), credit risk and liquidity risk.

The management agreement between Barramundi Limited and Fisher Funds details authorised investments. Financial instruments currently recognised in the financial statements also comprise cash and short term deposits, currency hedges, trade and other receivables and trade and other payables.

Capital Risk Management
The Company's objective when managing capital (share capital, reserves and borrowings [if any]) is to safeguard its ability to continue as a going concern.

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 make borrowings in the short term.

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

In August 2009, the Company announced a long-term distribution policy of paying out 2% of average Net Asset Value each quarter.

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 and diversification, daily monitoring of the market positions and monthly 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.

The maximum market risk resulting from financial instruments is determined as their fair value.

Price Risk
The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. The following companies individually comprise more than 10% of Barramundi's portfolio at 30 June 2010: Arrow Energy 11% (30 June 2009: Arrow Energy 15%, Pipe Networks 11% and Pharmaxis 11%).

Interest Rate Risk
Short-term deposits subject the Company to interest rate risk. The Company invests surplus cash in the New Zealand money market (short-term investments only) and interest income is therefore subject to changes in local interest rates.

The Company may use short-term fixed rate borrowings to fund investment opportunities. There is no hedge against the risk of downward movements in interest rates.

Currency Risk
The Company holds assets denominated in Australian dollars. It is therefore exposed to currency risk as the value of Australian denominated equities and cash held in Australian dollars will fluctuate with changes in the relative value of the New Zealand dollar compared to the Australian dollar. The company mitigates against this risk by entering into forward foreign exchange contracts as and when the Manager deems it necessary.

Credit Risk
In the normal course of its business, the Company is exposed to credit risk from transactions with its counterparties.

There are no significant concentrations of credit risk. The Company does not expect non-performance by counterparties, therefore no collateral or security is required.

All transactions in listed securities are paid for on delivery according to standard settlement instructions. The Company invests cash with banks registered in New Zealand and Australia which carry a minimum short-term credit rating of A-1.

Listed securities are held in trust by an independent trustee company.

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

Liquidity Risk
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. Such liquidity can be augmented by short-term borrowings from a registered bank to a maximum value of 20% of the Gross Asset Value of the Company.
No such borrowings have arisen to date.

Note 10 Sensitivity Analysis

The sensitivity of the year end result and shareholders' equity to reasonably possible changes in market conditions (based on historic trends) at 30 June 2010 and 30 June 2009 is as follows (in thousands of New Zealand dollars):

2010: Company ($'000)

		EQUITY PRICES (note i)			
	Carrying	-15%		+15%	
	Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	18,810	0	0	0	0
Financial assets at fair value through profit or loss - designated (Note iv)	64,383	(9,657)	(9,657)	9,657	9,657
Financial assets at fair value through profit or loss – held for trading (Note v)	483	0	0	0	0

		FOREIGN EXCHANGE RATE (note ii)			
	Carrying	-10%		+10%	
	Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents (Note iii)	18,810	1,325	1,325	(1,084)	(1,084)
Financial assets at fair value through profit or loss - designated (Note iv)	64,383	7,154	7,154	(5,853)	(5,853)
Investments at fair value through profit or loss – held for trading (Note v)	483	(4,964)	(4,964)	3,612	3,612

		INTEREST RATE (note vi)			
	Carrying	-3%		+3%	
	Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	18,810	(564)	(564)	564	564
Financial assets at fair value through profit or loss	64,866	0	0	0	0

These sensitivities do not take into account impact on tax balances

2009: Company ($'000)

		EQUITY PRICES (note i)			
	Carrying	-15%		+15%	
	Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	11,753	0	0	0	0
Financial assets at fair value through profit or loss - designated	60,695	(9,104)	(9,104)	9,104	9,104
Financial assets at fair value through profit or loss - held for trading	62	0	0	0	0

		FOREIGN EXCHANGE RATE (note ii)			
	Carrying	-10%		+10%	
	Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	11,753	1,019	1,019	(834)	(834)
Financial assets at fair value through profit or loss - designated	60,695	6,744	6,744	(5,518)	(5,518)
Financial assets at fair value through profit or loss - held for trading	62	(1,333)	(1,333)	1,091	1,091

		INTEREST RATE (note vi)			
	Carrying	-3%		+3%	
	Amount	Profit	Equity	Profit	Equity
Cash and Cash Equivalents	11,753	(353)	(353)	353	353
Financial assets at fair value through profit or loss	60,757	0	0	0	0

These sensitivities do not take into account impact on tax balances

(i) Based on historic trends, the Directors consider it reasonable that equity prices may move -/+15%.

(ii) Based on the NZD/AUD exchange rate volatility over the past 10 years, the Directors consider it reasonably possible that the NZD/AUD exchange rate may move by -/+10%.

(iii) Cash in Australian bank accounts held at balance date translated to NZ$11,923,396 using a rate of $0.8141 NZ$/A$. An increase in this rate by 10% to $0.8955 would lead to an unrealised loss of NZ$1,083,945. Similarly if the NZ$ were to drop by 10% to $0.7327, there would be an unrealised gain of NZ$1,324,822.

(iv) Equity investments of A$52,413,960 were held at balance date and translated to NZ$64,382,705 using a rate of 0.8141 A$/NZ$. An increase in this rate by 10% to 0.8955 would lead to an unrealised loss of NZ$5,852,973. Similarly if the NZ$ were to drop by 10% to $0.7327, there would be an unrealised gain of NZ$7,153,634.

(v) Foreign exchange contracts of NZ$39,740,095 (notional value) were held at balance date using a rate of 0.8141 A$/NZ$. An increase in this rate by 10% to 0.8955 would lead to an unrealised gain of NZ$3,612,332. Similarly if the NZ$ were to drop by 10% to $0.7327, there would be an unrealised loss of NZ$4,964,079.

(vi) 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.

Note 11 Performance Fee

The management agreement with Fisher Funds provides for an annual performance fee for outperforming the Benchmark rate and providing excess returns.

The performance fee payable to the Manager under the agreement is 15% of the lesser of:

a) The excess return for the applicable period multiplied by the number of shares on issue at the end of the period; or
b) The dollar amount by which the net asset value per share exceeds the highest net asset value per share at the end of the previous calculation period multiplied by the number of shares on issue.

Excess return is defined as the excess above a benchmark return which is the change in the NZX 90-Day Bank Bill Index in the period plus 7% per annum.

In accordance with the terms of the management agreement, half of any performance fee payable (exclusive of GST) will be applied by the Manager to subscribe for shares ranking equally in all respects with existing ordinary shares in Barramundi Limited and issued at a price equal to the audited net asset value per share at 30 June 2010.

At 30 June 2010 the net asset value per share of $0.81 was below the high water net asset value per share (after adjustment for capital changes and distributions) of $1.06 (being the highest net asset value per share at the end of the last calculation period of 30 June 2007 adjusted for any capital changes and distributions).

Accordingly the Company has not accrued a performance fee in its Statement of Comprehensive Income for the year to 30 June 2010 (30 June 2009: Nil).

Note 12 Net Asset Value

The audited Net Asset Value per share of Barramundi Limited as at 30 June 2010 was $0.81 per share (30 June 2009: $0.72). The audited diluted Net Asset Value per share of Barramundi Limited as at 30 June 2010 was $0.79 per share (30 June 2009: $0.81).

The diluted Net Asset Value describes the effect if all warrants were exercised on the date of calculation of the Net Asset Value at $0.75.

Note 13 Contingent Liabilities and Unrecognised Contractual Commitments

There were no contingent liabilities or unrecognised contractual commitments as at 30 June 2010 (30 June 2009: None).

Note 14 Segmental Reporting

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

Note 15 Subsequent Events

There were no events subsequent to 30 June 2010 which require adjustment of, or disclosure in, the financial statements (30 June 2009: None).

On 23 August 2010 the Board declared a dividend of 1.71 cents per share. The record date for this dividend is 10 September 2010 with a payment date of 24 September 2010.