
KINGFISH LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
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KINGFISH LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 \$000	2023 \$000
Interest income		689	471
Dividend income		9,373	8,551
Net change in fair value of investments	2	16,704	(23,693)
Total income/(loss)		26,766	(14,671)
Operating expenses	3	6,837	4,775
Net profit/(loss) before tax		19,929	(19,446)
Total tax expense	4	24	23
Net profit/(loss) after tax attributable to shareholders		19,905	(19,469)
Total comprehensive income/(loss) after tax attributable to shareholders		19,905	(19,469)
Basic earnings/(losses) per share	6	5.96c	(6.00c)
Diluted earnings/(losses) per share	6	5.96c	(6.00c)

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

KINGFISH LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

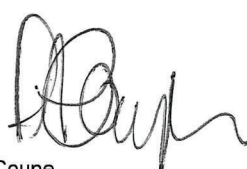
	Notes	Attributable to shareholders of the Company		
		Share Capital \$000	Retained Earnings \$000	Total Equity \$000
Balance at 31 March 2022		392,554	112,855	505,409
Comprehensive (loss)				
Net (loss) after tax		-	(19,469)	(19,469)
Total comprehensive (loss) for the year ended 31 March 2023		-	(19,469)	(19,469)
Transactions with shareholders				
Dividends paid	5 (d)	-	(37,730)	(37,730)
New shares issued under dividend reinvestment plan	5 (e)	13,134	-	13,134
Shares issued for warrants exercised (net of exercise costs)	5 (c)	243	-	243
Warrant issue costs	5 (c)	(3)	-	(3)
Total transactions with shareholders for the year ended 31 March 2023		13,374	(37,730)	(24,356)
Balance at 31 March 2023		405,928	55,656	461,584
Comprehensive income				
Net profit after tax		-	19,905	19,905
Total comprehensive income for the year ended 31 March 2024		-	19,905	19,905
Transactions with shareholders				
Dividends paid	5 (d)	-	(36,147)	(36,147)
Share buybacks	5 (b)	(833)	-	(833)
Shares utilised from treasury stock under dividend reinvestment plan	5 (e)	672	-	672
New shares issued under dividend reinvestment plan	5 (e)	12,453	-	12,453
Warrant issue costs	5 (c)	(13)	-	(13)
Total transactions with shareholders for the year ended 31 March 2024		12,279	(36,147)	(23,868)
Balance at 31 March 2024		418,207	39,414	457,621


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

KINGFISH LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	2024 \$000	2023 \$000
SHAREHOLDERS' EQUITY		457,621	461,584
Represented by:			
ASSETS			
Current Assets			
Cash and cash equivalents	9	4,887	6,396
Trade and other receivables	7	673	2,652
Investments at fair value through profit or loss	2	453,301	453,179
Total Current Assets		458,861	462,227
TOTAL ASSETS		458,861	462,227
LIABILITIES			
Current Liabilities			
Trade and other payables	8	1,240	643
Total Current Liabilities		1,240	643
TOTAL LIABILITIES		1,240	643
NET ASSETS		457,621	461,584

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


R A Coupe
Chair
20 May 2024


C A Campbell
Chair of the Audit and Risk Committee
20 May 2024

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

KINGFISH LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 \$000	2023 \$000
Operating Activities			
Sale of investments		73,680	91,992
Interest received		687	471
Dividends received		5,926	8,620
Purchase of investments		(53,415)	(72,849)
Operating expenses		(4,495)	(5,465)
Taxes paid		(24)	(23)
Net cash inflows from operating activities	9	22,359	22,746
Financing Activities			
Share buybacks		(833)	-
Shares issued for warrants exercised (net of exercise costs)		-	243
Warrant issue costs		(13)	(3)
Dividends paid (net of dividends reinvested)		(23,022)	(24,596)
Net cash (outflows) from financing activities		(23,868)	(24,356)
Net (decrease) in cash and cash equivalents held		(1,509)	(1,610)
Cash and cash equivalents at beginning of the year		6,396	8,006
Cash and cash equivalents at end of the year	9	4,887	6,396

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

Note 1 Basis of Accounting

Reporting Entity

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

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

Basis of Preparation


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

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

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

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

Material 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. Except for IFRS 18, *Presentation and Disclosure in Financial Statements*, which is effective for annual periods beginning on or after 1 January 2027 and where an assessment has not been completed yet, the same applies for any new standards, amendments to standards and interpretations that have been issued but are not yet effective.


Financial Reporting by Segments

The Company operates in the New Zealand investment industry.

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

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

Critical Judgements, Estimates and Assumptions

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements are designated by a  symbol in the notes to the financial statements.

Authorisation of Financial Statements

The Kingfish Board of Directors authorised these financial statements for issue on 20 May 2024.

No party may change these financial statements after their issue.

Note 2 Investments at Fair Value Through Profit or Loss

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

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

Investments at fair value through profit or loss comprise New Zealand listed equity investment assets.

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 (which may have been prior to balance date) falls outside the bid-ask spread at close of business on balance date for a particular investment, in which case the bid price will be used to value the investment.

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, the investments are categorised as Level 1. When significant inputs derived from observable market data are used, the investments are categorised as Level 2. If significant inputs are not based on observable market data, they are categorised as Level 3.

j All listed equity investments held by Kingfish are categorised as Level 1. There have been no transfers between levels of the fair value hierarchy during the year (2023: none). There were no financial instruments classified as Level 2 or 3 at 31 March 2024 (2023: none).

Investments at Fair Value through Profit or Loss	2024	2023
	\$000	\$000
New Zealand investments	453,301	453,179
Total investments at fair value through profit or loss	453,301	453,179
Net change in fair value of investments		
New Zealand investments	16,704	(23,693)
Net change in fair value of investments through profit or loss	16,704	(23,693)

Note 3 Operating Expenses	2024	2023
	\$000	\$000
Management fees (note 10(a)(i))	5,663	3,499
Administration services (note 10(a)(i))	159	159
Directors' fees (note 10(b))	196	181
Custody, accounting and brokerage	340	456
Investor relations and communications	187	174
NZX fees	70	94
Professional fees	32	34
Fees paid to the auditor:		
Statutory audit and review of financial statements	61	56
Other operating expenses	129	122
Total operating expenses	6,837	4,775

Note 4 Taxation

Kingfish 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.



A deferred tax asset of \$14,412,614, resulting largely from tax losses of \$51,008,304, at 31 March 2024 (2023: tax asset of \$13,401,607, tax losses of \$47,140,497) has not been recognised, as the tax structure of the Company is unlikely to lead to the utilisation of a deferred tax asset. This unrecognised deferred tax asset is reviewed annually.

Taxation expense is determined as follows:

	2024 \$000	2023 \$000
Net income/(loss) before tax	19,929	(19,446)
Non-taxable realised gain on investments	(17,659)	(20,957)
Non-taxable unrealised loss on investments	1,057	44,681
Imputation credits	2,769	2,668
Non-deductible expenditure	267	380
Taxable income	6,363	7,326
Tax at 28%	1,782	2,051
Imputation credits	(2,769)	(2,668)
Deferred tax not recognised	1,011	640
Total tax expense	24	23
<i>Taxation expense comprises:</i>		
Current tax	-	-
Current tax balance		
Opening balance	-	-
Current tax expense	-	-
Tax paid	-	-
Current tax receivable	-	-

Imputation credits

The imputation credits available for subsequent reporting periods total \$567,884 (2023: \$312,173). 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 31 March 2024.

Note 5 Shareholders' Equity

a. Share Capital



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

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

Kingfish has 340,543,107 fully paid ordinary shares on issue (2023: 330,213,075). All ordinary shares are classified as equity, 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.

Note 5 Shareholders' Equity (continued)

b. Buybacks

Kingfish maintains an ongoing share buyback programme. For the year ended 31 March 2024, Kingfish acquired 660,441 shares valued at \$833,124 (2023: nil) under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were 121,109 shares held as treasury stock at balance date (2023: nil).

c. Warrants

On 6 July 2023, 83,105,144 new Kingfish warrants were allotted and quoted on the NZX Main Board from 7 July 2023. One new warrant was issued to all eligible shareholders for every four shares held on record date (5 July 2023). The exercise date for these warrants is 26 July 2024.

Warrants issue costs of \$13,413 (2023: \$3,094) were incurred in August 2023 relating to the July 2023 warrant issue.

On 18 November 2022, 133,568 new Kingfish warrants valued at \$253,779 less exercise costs of \$11,221 (net \$242,558) were exercised at \$1.90 per warrant, and the remaining 78,941,600 warrants lapsed.

d. Dividends



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

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

	2024 \$000	Cents per share		2023 \$000	Cents per share
23 Jun 2023	9,301	2.82	23 Jun 2022	10,140	3.16
22 Sep 2023	9,274	2.79	23 Sep 2022	9,143	2.83
15 Dec 2023	8,849	2.64	16 Dec 2022	9,304	2.86
28 Mar 2024	8,723	2.58	24 Mar 2023	9,143	2.79
	36,147	10.83		37,730	11.64

e. Dividend Reinvestment Plan

Kingfish has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the year ended 31 March 2024, 10,990,473 ordinary shares totalling \$13,124,763 (2023: 9,204,313 ordinary shares totalling \$13,133,721) were issued in relation to the plan for the quarterly dividends paid which comprised:

(i) 10,451,141 ordinary shares totalling \$12,453,022 issued under dividend reinvestment plan (2023: 9,204,313 ordinary shares totalling \$13,133,721); and

(ii) 539,332 ordinary shares totalling \$671,741 of shares were utilised from treasury stock under dividend reinvestment plan (31 March 2023: nil).

To participate in the dividend reinvestment plan, a completed participation notice must be received by Kingfish before the next record date.

Note 6 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.

	2024	2023
Basic earnings/(losses) per share		
Net profit/(loss) after tax attributable to shareholders (\$'000)	19,905	(19,469)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	334,164	324,446
Basic earnings/(losses) per share	5.96c	(6.00c)
Diluted earnings/(losses) per share		
Net profit/(loss) after tax attributable to shareholders (\$'000)	19,905	(19,469)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	334,164	324,446
Diluted effect of warrants (\$'000) ¹	-	-
	334,164	324,446
Diluted earnings/(losses) per share	5.96c	(6.00c)

¹ Warrants on issue during the period were not assumed to be exercised because they were antidilutive. The warrant exercise price (less dividends paid) of \$1.29 was greater than the average share price of \$1.25 between the date of issue and 31 March 2024.


Note 7 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.

	2024 \$000	2023 \$000
Dividends receivable	615	272
Interest receivable	2	-
Related party receivable (note 10(a)(ii))	-	2,333
Prepayments	56	47
Total trade and other receivables	673	2,652

Note 8 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.

	2024 \$000	2023 \$000
Related party payable (note 10(a)(i))	492	499
Unsettled investment purchases	580	-
Other payables and accruals	168	144
Total trade and other payables	1,240	643

Note 9 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.

	2024 \$000	2023 \$000
Cash - New Zealand dollars	4,887	6,396
Cash and cash equivalents	4,887	6,396

KINGFISH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Note 9 Cash and Cash Flow Reconciliation (continued)

Reconciliation of Net Profit/(Loss) after Tax to Net Cash Flows from Operating Activities	2024 \$000	2023 \$000
Net profit/(loss) after tax	19,905	(19,469)
Items not involving cash flows		
Unrealised losses on revaluation of investments	1,057	44,681
	1,057	44,681
Impact of changes in working capital items		
Increase/(Decrease) in trade and other payables	597	(323)
Decrease in trade and other receivables	1,979	867
	2,576	544
Items relating to investments		
Amounts paid for purchases of investments	(56,518)	(72,849)
Amounts received from sales of investments net of realised gains	55,919	71,004
Movement in unsettled purchases of investments	(580)	268
Movement in unsettled sales of investments	-	(1,433)
	(1,179)	(3,010)
Net cash inflows from operating activities	22,359	22,746

Note 10 Related Party Information



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

a. Fisher Funds Management Limited

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

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

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

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

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

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

Note 10 Related Party Information (continued)



Performance fees paid to the Manager are recognised as an expense in the Statement of Comprehensive Income when incurred.

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

(i) Fees Earned and Payable:

	2024	2023
	\$000	\$000
Fees earned by the Manager for the year ended 31 March		
Management fees	5,663	3,499
Administration services	159	159
Operating expenses	5,822	3,658

For the year ended 31 March 2024, the Manager did not achieve a return in excess of the performance fee hurdle return and the HWM (2023: No excess returns were generated). Accordingly, the Company has not expensed a performance fee for the year ended 31 March 2024 (2023: Nil).

Fees payable to the Manager at 31 March

Management fees	479	486
Administration services	13	13
Related party payables	492	499

(ii) Related Party Receivables

Fees receivable from the Manager 31 March

Management fee credit note	-	2,333
Related party receivable	-	2,333

Fisher Fund's management fee was calculated and invoiced at 1.25% of gross asset value, with no balance date adjustment to reduce the management fee as the gross return did not underperform the NZ 90 Day Bank Bill Index (31 March 2023: Underperformed by 6.1 percentage points). The Company has no outstanding management fee credit to offset against future management fee expenses (31 March 2023: \$2,332,665).

Note 10 Related Party Information (continued)

(iii) Investment transactions with related parties

Off-market transactions between Kingfish and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price. There were no purchases for the year ended 31 March 2024 (2023: nil) and sales totalled \$3,664,809 (2023: \$3,398,118).

b. Directors

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

During the financial year the Directors earned fees for their services of \$196,317 including GST (2023: \$181,125). The Directors' fee pool was \$176,167 (plus GST, if any) for the year ended 31 March 2024 (31 March 2023: \$157,500 plus GST, if any). The Directors' fee pool increased to \$185,500 (plus GST, if any) from 1 August 2023. There were no Director fees payable at the end of the financial year (31 March 2023: nil).

The Directors held shares in the Company at 31 March 2024 which total 0.04% of total shares on issue (31 March 2023: 0.04%). The Directors held warrants in the company as at 31 March 2024 which total 0.04% of total warrants on issue (31 March 2023: nil, as there were no warrants on issue).

Dividends of \$15,441 (31 March 2023: \$13,949) were also received by Directors or their associates as a result of their shareholding during the financial year.

Note 11 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 Kingfish and Fisher Funds details permitted investments. Financial instruments currently recognised in the financial statements also comprise cash and cash equivalents, 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 maximum market risk resulting from financial instruments is determined as their fair value.

Kingfish considers that the market prices of the investments factor in climate change impacts and, as such, no adjustment has been made to balances or transactions in these financial statements as a result of climate change.

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. The following companies individually comprise more than 10% of Kingfish's total assets at 31 March 2024, and therefore fluctuations in the value of these portfolio companies will have a greater impact on the overall investments balance.

	2024	2023
Infratil Limited	18%	17%
Fisher and Paykel Healthcare Corporation Limited	16%	16%
Mainfreight Limited	14%	17%

Note 11 Financial Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk of movements in local interest rates. The Company is exposed to the risk of gains or losses or changes in interest income from movements in local interest rates. There is no hedge against the risk of movements in interest rates.

The Company may use short-term fixed rate borrowings to fund investment opportunities. There were no borrowings at 31 March 2024 (2023: nil).

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 generally holds assets denominated in New Zealand dollars and is therefore not directly exposed to currency risk. The portfolio companies that Kingfish invests in may be affected by currency risk that may impact on the market value of the underlying portfolio company.

Sensitivity Analysis

The table below summarises the impact on net operating profit after tax and shareholders' equity to reasonably possible changes in the carrying value of financial instruments to market risk exposure at 31 March as follows:

		2024 \$000	2023 \$000
Price risk ¹			
Investments at fair value through profit or loss (listed)	Carrying value	453,301	453,179
	Impact of a 20% change in market prices: +/-	90,660	90,636
Interest rate risk ²			
Cash and cash equivalents	Carrying value	4,887	6,396
	Impact of a 1% change in interest rates: +/-	49	64

An increase/(decrease) in market prices and interest rates would increase/(decrease) profit after tax and shareholders' equity.

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

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

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.

Listed securities 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 receivables are due from listed New Zealand companies and are normally settled within a month after the Ex-Dividend date.

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.

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.

Note 11 Financial Risk Management (continued)

Liquidity Risk

Liquidity risk is the risk that the assets held by the Company cannot readily be converted to cash in order to meet the Company's financial obligations as they fall due. The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity (through daily cash monitoring) to meet working capital and investment requirements. All trade and other payables have contractual maturities of 3 months or less.

Liquidity to fund investment requirements can be augmented through the procurement of a debt facility from a registered bank to a maximum value of 20% of the gross asset value of the Company. There were no such debt facilities at 31 March 2024 (2023: nil).

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

Capital Risk Management

The Company's objective is to prudently manage shareholder capital (share capital, reserves, retained earnings) 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 June 2009, the Company continues to pay 2% of average net asset value each quarter in dividends.

Note 12 Net Asset Value

The net asset value of Kingfish as at 31 March 2024 was \$1.34 per share (2023: \$1.40) calculated as the net assets of \$457,621,124 divided by the number of shares on issue of 340,543,107 (2023: net assets of \$461,584,438 and shares on issue of 330,213,075).

Note 13 Commitments and Contingent Liabilities

There were no unrecognised contractual commitments or contingent liabilities as at 31 March 2024 (2023: nil).

Note 14 Subsequent Events

On 20 May 2024, the Board declared a dividend of 2.65 cents per share. The record date for this dividend is 6 June 2024 with a payment date of 27 June 2024.

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



Independent auditor's report

To the shareholders of Kingfish Limited

Our opinion

In our opinion, the accompanying financial statements of Kingfish Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 March 2024, 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 Accounting Standards (IFRS Accounting Standards).

What we have audited

The financial statements comprise:

- the statement of financial position as at 31 March 2024;
- 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, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

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

Key audit matters

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



Description of the key audit matter

How our audit addressed the key audit matter

Valuation and existence of investments at fair value through profit or loss

Investments at fair value through profit or loss (the investments) are valued at \$453 million and represent 99% of total assets at 31 March 2024.

Further disclosures on the investments are included in note 2 to the financial statements.

As at 31 March 2024, all investments are in actively traded companies listed on the NZX Main Board with readily available, quoted market prices.

All investments are held by Trustees Executors Limited (the Custodian) on behalf of the Company.

This was a key audit matter given the significance of investments to the financial statements.

Our audit procedures included updating our understanding of the business processes employed by the Company for accounting for, and valuing, its investment portfolio.

We obtained confirmation from the Custodian that the Company was the recorded owner of each of the investments.

We obtained copies of and assessed Trustees Executors Limited’s internal controls assurance reports for custody and investment administration services for the period from 1 April 2023 to 31 March 2024.

We agreed the price for all investments held at 31 March 2024 to independent third-party pricing sources and considered the liquidity of these investments around the balance date.

Our audit approach

Overview

Materiality

Overall materiality: \$2.28 million, which represents approximately 0.5% of 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.

Key audit matter

As reported above, we have one key audit matter, being *Valuation and existence of investments at fair value through profit or loss*.

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

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

Materiality

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



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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Company's climate statement prepared in accordance with Section 461Z of the Financial Markets Conduct Act 2013 (the Climate Statement), but does not include the financial statements and our auditor's report thereon. The Annual Report and the Climate Statement are expected to be made available to us after the date of this auditor's report.

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

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

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

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 Accounting Standards, 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/assurance-standards/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:

PricewaterhouseCoopers

Chartered Accountants
20 May 2024

Auckland