



KINGFISH ANNUAL
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KINGFISH

LANDING TOMORROW'S TROPHIES



HIGHLIGHTS FOR THE PERIOD

<p>\$18.8 million surplus after taxation for the year to 31 March 2006</p>	<p>Core portfolio of 7 stocks established</p>	<p>96% of funds invested at 31 March 2006</p>
<p>Net Asset Value at 31 March 2006 up 24% from 31 March 2005 to \$1.5888 (net of performance fee and Treasury Stock)</p>	<p>Net Asset Value at 31 March 2006 up 64% since listing in March 2004</p>	<p>Increase in Net Asset Value exceeded the 14.4% benchmark return</p>
<p>2 cps fully imputed dividend paid on 10 June 2005</p>	<p>2.5cps fully imputed dividend declared in respect of year ended 31 March 2006, payable on 16 June 2006</p>	<p>47% shareholder participation in Dividend Reinvestment Plan</p>
<p>Commencement of Kingfish on-market share and warrant buyback</p>		

2006/2007 CALENDAR

Final Dividend Payable	16 June 2006
June Quarter Shareholders Update Publication	July 2006
Annual Shareholders Meeting	5 July 2006 10.00am at the Bruce Mason Centre, Takapuna
Half Year End	30 September 2006
Interim Report for 2007 Year	November 2006
December Quarter Shareholders Update Publication	January 2007
Financial Year End	31 March 2007



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ABOUT THE COMPANY

Kingfish Limited ("Kingfish") is a listed investment company that invests in New Zealand companies. The investment portfolio of Kingfish is managed by Fisher Funds Management Limited, a specialist New Zealand investment manager with a track record of successfully investing in small company shares.

The company was listed on the New Zealand Exchange in March 2004 following a successful \$58.5 million IPO. Kingfish provides investors with an opportunity to invest in a diversified portfolio of investments through a single company. Kingfish may invest in small companies that are listed on the NZSX, NZAX and unlisted companies.

INVESTMENT OBJECTIVES

The key investment objectives of Kingfish are to:

- ⇒ Achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the Directors;
- ⇒ Deliver investors a regular income stream in the form of imputed dividends; and
- ⇒ Provide a portfolio of securities that allows investors access to a number of smaller companies through a single investment.

INVESTMENT APPROACH

The investment philosophy of Kingfish is summarised in the following broad principles:

- ⇒ We seek to buy and hold shares in companies for the medium to long term
- ⇒ Our preference is to invest in companies that have a proven track record of growing profits
- ⇒ The Kingfish portfolio will represent the "best ideas" of the Manager, and will be concentrated in those companies that meet our investment criteria
- ⇒ Kingfish will invest as a long-term investor and will sell only on the basis of a fundamental change in the original investment case
- ⇒ Kingfish will focus on achieving an absolute return for shareholders, rather than outperforming an NZX market index
- ⇒ The Manager places significant emphasis on fundamental analysis – understanding the business, knowing the management and board, identifying a company's sustainable competitive advantage

THE KINGFISH STRUCTURE

Kingfish has two subsidiaries: **Kingfish Holdings Limited** and **Kingfish Nursery Limited**. Kingfish Holdings owns the core Kingfish portfolio of companies and makes investments for the long term, seeking to generate returns from companies that have proven their ability to grow their earnings. Approximately 92% of the total Kingfish assets are held by Kingfish Holdings at 31 March 2006. Kingfish Nursery owns shares in those companies that have not yet met all of the Manager's investment criteria to become a core holding, but do have potential. Young companies or those that have recently been purchased may need to be monitored closely before becoming a substantial holding. The Manager may want to assess the company's management and prospects before committing significant assets to the investment. Kingfish Nursery will sell holdings from time to time and provide fully for tax on any gains. Approximately 7% of the total Kingfish assets are held by Kingfish Nursery at 31 March 2006.

DIRECTORS' REPORT

The Directors of Kingfish Limited ("Kingfish") are pleased to report an \$18.8 million surplus for the second year of operations, a 13% increase over the previous year. Operating expenses at \$2.9 million were in line with budget and represented 3% of total assets.

The Kingfish portfolio has performed impressively over the last year, increasing the value of the company's net assets 64% since listing in March 2004. Kingfish's Net Asset Value per share ("NAV") increased from \$1.2852 at 31 March 2005 to \$1.5888 at 31 March 2006, or 24%. This increase in the NAV is after the deduction of Treasury Stock and the performance fee owed to Fisher Funds Management Limited ("Fisher Funds"). The increase in the NAV of 24% was substantially ahead of the benchmark rate.

The Management Agreement with Fisher Funds provides for the payment of an annual performance fee if returns are achieved above the benchmark rate (being 7% plus the change in the NZX 90 day bank bill index). Fisher Funds achieved a return for the year well in excess of the benchmark rate of 14.4%. A performance fee of \$1.3 million is accordingly recognised on an accrual basis in the financial statements. This performance fee has been paid to Fisher Funds subsequent to balance date. In accordance with the Management Agreement half the value of the performance fee payable has been subscribed by Fisher Funds for 357,782 Kingfish shares at an issue price equal to the audited NAV per share of \$1.5888 at year end.

Despite the strong performance of the NAV, Kingfish shares continue to trade at a discount. This discount has led the Kingfish Board to implement an on-market buyback of up to 2.925m shares (representing 5% of the original issued capital of the Company) between 1 November 2005 and 31 October 2006. A warrant buyback was announced by the Board in conjunction with the share buyback to increase the flexibility and liquidity of the buyback programme.

The decision to implement the buyback reflects the Board's belief that the share price is too low relative to the underlying value of the assets and hence represents an attractive investment.

At 31 March 2006, Kingfish had repurchased a total of 1,579,706 ordinary shares under its on-market buyback programme at a total cost of \$1,532,650 and 2,416,388 Kingfish warrants at a total cost of \$386,591. All shares acquired are held as Treasury Stock for possible subsequent re-issue. Warrants acquired under the buyback are subsequently cancelled. Treasury Stock are shares that a company acquires and holds in itself. Shares held as Treasury Stock are not entitled to receive any distributions or exercise any voting rights.

The Kingfish Board continues to look for alternative ways to close the discount between the share price and NAV. The Board has encouraged active communication with the share broking community to highlight the undervaluation of Kingfish shares and hopes that in time, investors will recognise that the current share price undervalues its assets.

Over the year Kingfish shares traded between \$0.89 and \$1.17 and Kingfish warrants traded between \$0.10 to \$0.25.

Earnings per share (excluding Treasury Stock) for the 12 months to 31 March 2006 was 32.5 cents, up 14% from 31 March 2005.

On 5 April 2006, 322,600 Kingfish shares were allotted to those warrant holders who chose to exercise their warrants on the first optional exercise date of 31 March 2006. The shares allotted were transferred from Treasury Stock. At 31 March 2006, there were 56,083,612 Kingfish warrants remaining to be exercised on 31 March 2007 and/or 31 March 2008.

The Directors have declared a fully imputed dividend of 2.5 cents per share payable to all eligible shareholders in respect of the year ended 31 March 2006. This is in line with the Kingfish dividend policy of distributing income after the deduction of operating and management costs, including tax and financing costs. Due to the tax structure of Kingfish, any realised gains in Kingfish Holdings Limited are not distributed but are re-invested by the Manager. Kingfish is investigating the possibility of qualifying as a Portfolio Investment Entity under the proposed tax changes to come

into effect on 1 April 2007. If it does qualify under the currently proposed rules, there will be no restriction on its ability to distribute gains from sale of investments. This should have a favourable impact on the level of future dividends paid.

The Board will provide updates on the Company's status in qualifying as a Portfolio Investment Entity following the release of the legislation later this year.

The record date for the final dividend entitlement is 5pm on 2 June 2006 and the payment date is 16 June 2006. At 31 March 2006 47% of shareholders, holding 38% of the shareholding eligible for the dividend, had elected to participate in the Dividend Reinvestment Plan.

The Board continues to work towards adoption of New Zealand International Financial Reporting Standards ("NZ IFRS") for the financial year commencing on 1 April 2007. The first set of financial statements that Kingfish will release under NZ IFRS will be for the six months ended 30 September 2007. The requirement for an opening balance sheet means that an NZ IFRS opening balance sheet will be prepared as at 1 April 2006. PricewaterhouseCoopers has been engaged to perform audit procedures on the opening IFRS balances at 1 April 2006. The Company, in conjunction with its external professional advisers, has developed systems for NZ IFRS required bid price investment valuation and recording transaction costs in the income statements. Further information on the adoption of NZ IFRS is contained in the notes to the Financial Statements.

Our focus remains to continue to deliver long term growth and increased sustainable dividends to our investors, by building on the consistent growth and track record of the past performance of Kingfish.

On behalf of the Board



Rob Challinor | CHAIRMAN

May 2006

The Kingfish portfolio has performed impressively over the last year, increasing the value of the Company's net assets 64% since listing in March 2004.





“If you’re in a bad situation, don’t worry it’ll change. If you’re in a good situation, don’t worry it’ll change.”

John A. Simone, Snr.

OVERVIEW

We are very pleased to report another successful year for Kingfish. This success is especially heartening when we reflect on the challenging investment climate that has prevailed during the 12 months to March 2006. To report a 24% increase in the Kingfish Net Asset Value ("NAV"), on top of the 33% lift achieved in the 2005 year, suggests that we've had an easy run. However, the past 12 months have featured both surprisingly buoyant periods and sudden bouts of investor pessimism and foreboding. Last year's Kingfish annual report talked of a buoyant market environment and a solid profit reporting season. However, the 2006 financial year began with a terrible month where the New Zealand share market fell sharply, reducing the Kingfish NAV by 11% in just four weeks. The following couple of months saw a small rebound, but the damage was done in terms of investor confidence, and the market meandered its way through the next six months reacting nervously to any negative corporate and economic news.

Were it not for corporate activity and capital distributions, the New Zealand share market could very easily have ended the 2006 financial year in negative territory. Along the way, companies announced better than expected profit results that led to share price hikes, some of them substantial, and of course, other companies announced disappointing profits or gave warnings of slower profit growth which were greeted with immediate and sometimes savage price declines. But none of this was unusual. Share market trends and investor confidence are subject to change and it is futile trying to predict major turning points. Where successful investors can add value is in looking beyond the generalities and focusing on the specific. In the past 12 months we have focused on specific businesses and the analysis of their future prospects. This approach has enabled us to successfully manoeuvre the Kingfish portfolio through the variable market conditions to achieve a successful outcome. The most encouraging aspect of the share market over the past 12 months has been the continuing improvement in our companies' profits, despite the more mixed macroeconomic background.

PORTFOLIO ACTIVITY

The activity within the Kingfish portfolio was relatively subdued during the year. As outlined in the interim report, the first six months saw us exit our holdings in Just Water and Pod, add to our holdings in Michael Hill and Ryman Healthcare, and introduce Software of Excellence into the Kingfish Nursery portfolio. None of these transactions were significant, with each transaction representing less than 2% of the total portfolio. A more significant transaction occurred in the second half of the year as we exited our holding in Turners Auctions, a company which had previously represented 6% of the Kingfish Holdings portfolio. We noted in our interim report that we expected the company to achieve our growth expectations, albeit slower than we originally envisaged. However, after a series of meetings with management we decided that our growth expectations were optimistic and that the company could no longer be categorized as a 'growth company' but rather as an undervalued cyclical business. We were pleased to take the opportunity to sell our holding at a premium to the prevailing share price to an investor who would take a more active role in the business and hopefully reposition the company on its growth path.

We also sold our holdings in Turners & Growers and Steel & Tube for similar reasons – both companies continued to languish at the bottom of our rankings relative to other businesses and we decided to redeploy our capital into faster growing assets. Our most exciting investment decisions came after year end as we added Delegats and Rakon to the Kingfish portfolio – both successful IPOs and, we believe, both companies with enormous earnings growth potential.

The biggest contributors to our performance during the March financial year were Ryman Healthcare, Mainfreight and Waste Management. The 76% lift in the Ryman share price contributed nearly 10% to the lift in the Kingfish NAV, with Mainfreight's 77% price lift contributing 9%. The Waste Management share price lifted 38%, adding 6% to the Kingfish performance. The most significant detractor was Turners Auctions whose >

MANAGER'S REPORT

share price fell 43% before we exited our holding, taking 2% off the value of the Kingfish portfolio.

OUTLOOK

As we enter the second quarter of the 2007 financial year, we are confident that the Kingfish portfolio is appropriately positioned for what we believe could be a slowing economy and volatile market environment. Specifically, we are mindful of the valuation of many New Zealand shares after three years of strong performance. We have heard the message from many companies about the slowing (but still positive) domestic environment, and we are alert to the likely reaction of investors to any company that fails to meet profit expectations.

We do not spend an enormous amount of time on forecasting economic trends - we do not profess to be experts in this area. However, we do expect a more challenging domestic business climate ahead. We are conscious that consumer spending in New Zealand is more likely to decrease than increase given the removal of the primary economic stimulus of the past three years - rising house prices and strong immigration. It is also likely that energy prices will cut into consumers' wallets with high petrol prices and home heating costs compared with last year. This country's fiscal policy is not likely to leave the average New Zealand consumer feeling well off, particularly when compared with our trans-Tasman neighbours. And unfortunately New Zealand is not blessed with commodities such as gold and minerals that have been in huge demand recently and that may have provided a buffer for our economy. We have been mindful of these issues in ensuring that the Kingfish portfolio is not overly exposed to the domestic economy, a task made easier by the international nature of many of our portfolio companies.

We have been vigilant in the monitoring of our companies and have focused relatively more on the possibility of bad news than on the hope of good news. It has to be said though that in spite of looking hard, we have not found anything in our companies to cause us to lose sleep. On the contrary, we have found examples of companies confidently pursuing

international expansion plans with the promise of significant earnings potential (Pumpkin Patch, Michael Hill, Delegates); we have found companies with robust strategies to maintain earnings momentum in a slowing domestic environment (Ryman Healthcare, Metlifecare, Mainfreight, Freightways, NZ Exchange); and we have identified companies that are still 'young' in terms of their corporate development and profit potential (Cadmus Technology, Software of Excellence, Comvita, Kidicorp). Our companies are thriving in the main, dividends are healthy, the international environment remains fairly supportive and we continue to believe that good businesses will perform in good times and bad.

DISCOUNT TO NET ASSET VALUE

Our job as the investment manager of Kingfish is to increase the value of the Company's assets. The most appropriate measure of our skill in managing the Kingfish portfolio is the change in the NAV (which you will recall was up 24% in the year to March 2006). However, many investors have expressed disappointment that our investment achievements have not been fully reflected in their share price performance. At 31 March 2005 the Kingfish share price closed at a 10% discount to the diluted NAV. At 31 March 2006 that discount had expanded to 14%, having been as much as 20% following the significant market downturn in April 2005. This discount prompted the Kingfish board to implement a share buyback (refer to the Directors' report), and we feel that the issue requires further discussion.

Nobody knows precisely what causes the discount of a listed investment company, although it is generally accepted that discounts are the norm. Although we accept that the Kingfish share price will from time to time trade below the underlying value or NAV per share, the current level seems too high to us.

We believe there are four reasons why a listed investment company such as Kingfish might trade at a discount:

MANAGER'S REPORT

First, the investment manager is inadequate or has a patchy/non-existent track record. Second, the outlook and the prospects for the underlying investee companies is weak. Third, the investment portfolio contains a high proportion of investments that are difficult to value, for example, unlisted companies. And fourth, the structure of the investment vehicle is expensive or unwieldy.

We do not believe that any of these reasons should apply to Kingfish.

Taking them in order – Fisher Funds does not have a poor investment track record. On the contrary, the Fisher Funds NZ Growth Fund has generated returns (after tax and fees) averaging 18% p.a. since August 1998. Moreover, the Kingfish NAV per share has increased some 64% since inception even after deducting the two cent per share FY05 dividend.

Second, if the outlook for the Kingfish portfolio companies is weak, then that will already be factored into the share prices of those companies. It does not make sense to “double discount” the price of the investment vehicle, Kingfish.

Third, Kingfish currently contains no unlisted or “black hole” investments. All investments are valued according to NZSX closing prices and the NAV per share is published weekly. Valuation is completely transparent.

And fourth, we do not believe the Kingfish operating structure is either unwieldy or expensive. Management fees are consistent with those of other specialist listed investment vehicles, with the performance fees only payable after relatively high hurdle rates are achieved.

It seems clear to us that there is no rational basis for such a discount to apply to Kingfish. Rationality aside, it may just be that the market is inefficient. Unlike a managed fund where a shareholder can buy from or sell to the fund manager at net asset value, a shareholder in an investment company such as Kingfish is reliant on the share market. There is seldom a perfect match of customers

willing to buy and sell at the net asset value of the shares, so they trade at premiums or, most of the time, discounts. It may be because of disinterest – if share brokers and the media are not talking about and promoting Kingfish, then buyers will not be lined up to buy the shares. But disinterest can be turned around. And that is what Fisher Funds is going to focus on in the year ahead.

We believe that Fisher Funds' primary role is to continue to increase the value of the Kingfish investment portfolio, or the NAV per share. If the underlying assets of Kingfish become increasingly valuable, more buyers should become interested and the shares should be less likely to trade at a discount. We will continue to inform shareholders and the investment market about what investment decisions we are making and why, and what the resultant performance is. The weekly NAV release is a great starting point, and this is complemented by the Fisher Funds monthly newsletter, shareholder briefings, a quarterly update as well as the standard interim and annual reports.

In addition, Fisher Funds in conjunction with the Kingfish Board is currently investigating alternative mechanisms that we could introduce to address the share price discount. We are conscious that the tax environment will likely change in April 2007 so want to ensure that Kingfish is appropriately positioned to maximise value to shareholders.

SELECTING YOUR PORTFOLIO STOCKS

We discussed our investment process in last year's annual report, and at the risk of being repetitive, we have again included this discussion primarily for the benefit of new Kingfish shareholders, but also as a reminder to seasoned shareholders of how Fisher Funds selects your portfolio holdings.

We employ a process that we call STEEPP analysis to analyse existing and new portfolio companies. This analysis gives each company a score against a number of criteria that we believe need to be present >

MANAGER'S REPORT

in a successful portfolio company. All companies are then ranked according to their STEEPP score, to determine how significant their starting weighting

within the portfolio will be (or indeed whether they make the grade to be a portfolio company in the first place). The STEEPP criteria are as follows:

STRENGTH OF THE BUSINESS	TRACK RECORD	EARNINGS HISTORY
<p>What is the company's competitive advantage? Is it sustainable? Is the company a market leader, does it have a dominant position? A strong business is one that can maintain its profit margins even in a competitive market, by doing something better than its competitors or having something they don't have. We insist that every one of our portfolio companies has a sustainable competitive advantage, which we liken to having protective armour to 'keep out the enemy'.</p>	<p>How has the company performed over a two or three year period? Has the company performed under the same management team? Has it grown organically or by acquisition? How did the company fare in a downturn? We prefer to buy established companies rather than start-ups. If we do not know how the company has performed in the past, then an investment decision becomes a leap of faith that the idea or concept will be successful.</p>	<p>Has the company been able to grow its earnings in the past, and how consistent has earnings growth been? We are less interested in cyclical companies whose earnings ebb and flow according to the changing commodity cycles. We are more interested in those companies that can grow their earnings irrespective of the economic environment. This criterion is linked with the first criterion – strength of business – as we find that the strong businesses with a dominant or monopolistic market position tend to be the companies that can consistently grow their earnings.</p>
EARNINGS GROWTH FORECAST	PEOPLE	PRICING
<p>Is the company forecast to grow its earnings over the next one to three years? Is the rate of earnings growth likely to be faster than the market average? How believable and achievable is the forecast rate of growth? As growth investors, we are very interested in the long-term earnings growth potential of a company. We often notice that analysts 'can't see the wood for the trees' and focus on the next profit result, rather than thinking about where the company's earnings might be in five years time. We think that our long-term horizon enables us to identify successful growth companies before other investors do.</p>	<p>Who is the management team and how long have they been in their roles? Who are the directors, what is their history with the company, and what do they bring to the board? Is there a succession plan for the key executive roles? Do the management team own shares in the business, and how are they incentivised and rewarded? For us, the quality of the company management and its corporate governance is of paramount importance. We want to have confidence in the people running the business, because as we have seen on numerous occasions, a good CEO can make the difference between a top-performing company and a mediocre one.</p>	<p>How much of the future earnings growth is already reflected in the current share price? How likely is it that the price earnings multiple might expand as the market learns more about this company? How does the price earnings multiple relate to the expected earnings growth (are we paying too much for the rate of growth)? We are less focused on the valuation, and pay scant attention to discounted cashflow analysis. We are not looking to buy cheap stocks, but rather we want to pay a fair price for above average earnings growth.</p>

Using this STEEPP analysis, we constructed and maintained a portfolio which comprised 12 securities at the end of March 2006.

MANAGER'S REPORT

KINGFISH HOLDINGS PORTFOLIO STOCKS

COMPANY	% OF TOTAL KINGFISH PORTFOLIO
Freightways	12%
Mainfreight	15%
Metlifecare	10%
Michael Hill	9%
Pumpkin Patch	11%
Ryman Healthcare	17%
Waste Management	16%
Cash	2%
SUB TOTAL	92%

KINGFISH NURSERY PORTFOLIO STOCKS

COMPANY	% OF TOTAL KINGFISH PORTFOLIO
Cadmus Technology	6%
Comvita	
Kidicorp	
NZ Exchange	
Software of Excellence	
Cash	1%
SUB TOTAL	99%

KINGFISH LIMITED

	% OF TOTAL KINGFISH PORTFOLIO
Cash	1%
TOTAL	100%

Kingfish Holdings owns the core portfolio of companies that we expect to own for many years. Kingfish Nursery buys shares in companies that have not yet met all our investment criteria to become a core holding, but show signs of having the potential to do so in the future.

Carmel Fisher
Managing Director
FISHER FUNDS MANAGEMENT LTD

THE KINGFISH PORTFOLIO STOCKS

Overleaf is a brief introduction to each of your portfolio companies, with a description of why we believe they deserve a position in the Kingfish portfolio. Market capitalisations shown are as at 20 May 2006. H denotes the stock is held in the Kingfish Holdings portfolio and N denotes the stock is held in the Kingfish Nursery portfolio. >



**CADMUS
TECHNOLOGY (N)**

What does it do?

Cadmus is a technology provider designing, manufacturing and supplying EFTPOS (electronic funds transfer at point of sale) terminals and equipment to businesses.

Why do we own it?

We are interested in the future opportunities that will arise as EFTPOS terminals are required to change to meet new EMV requirements. We are also encouraged by the involvement of ex Navman CEO Peter Maire as director.

2005 financials at a glance:

2005 Profit	\$0.3m
2005 Dividend Yield	Nil
Market Capitalisation	\$53m



The Nature of New Zealand

COMVITA (N)

What does it do?

Comvita develops and sells a range of therapeutic products based on honey and bee products, both in New Zealand and internationally.

Why do we own it?

We are interested in the company's international expansion plans and also the company's recent initiatives in the area of manuka wound dressings. The company has real growth potential if it can successfully complement its honey-based nutraceutical business with medical products.

2005 financials at a glance:

2005 Profit	\$1.6m
2005 Dividend Yield	3%
Market Capitalisation	\$37m

Freightways

FREIGHTWAYS (H)

What does it do?

Freightways operates nationwide courier services with brands including NZ Couriers, Post Haste, Castle Parcels and Sub 60, as well as a mailbox delivery and management service, and a document destruction and records management business.

Why do we own it?

Freightways is one of two dominant players in the courier market, with a market share of around 45% which is similar to that of NZ Post. The company is a strong, successful operator with a history of consistent earnings growth. We rate the management team and board very highly and believe that the company has the potential to be a true 'all-weather performer'.

2005 financials at a glance:

2005 Profit	\$22m
2005 Dividend Yield	6%
Market Capitalisation	\$491m



KIDICORP (N)

What does it do?

As the name suggests, Kidicorp manages childcare centres throughout the North Island. Each early childhood centre retains its own brand, however the company seeks to achieve efficiencies through standardizing non-education operations, bulk purchasing and staff retention.

Why do we own it?

We believe that a well managed, corporatised collection of childcare centres should succeed in an increasingly cost-pressured, regulated but nevertheless growing sector.

2005 financials at a glance:

2005 Profit	(\$0.8m)
2005 Dividend Yield	Nil
Market Capitalisation	\$34m



MAINFREIGHT (H)

What does it do?

Mainfreight is a specialist freight forwarding and distribution business, with interests also in managed warehousing, transportation of hazardous substances, international freight and full truckload freight.

Why do we own it?

We have owned Mainfreight shares for a number of years and have a great deal of respect for the management team and directors of the company. We believe growth opportunities arise from the integration of recent acquisitions. The company's international freight forwarding operations are gaining considerable traction.

2005 financials at a glance:

2005 Profit	\$1.4m
2005 Dividend Yield	1.5%
Market Capitalisation	\$486m



METLIFECARE (H)

What does it do?

Metlifecare develops and manages retirement villages, nursing homes and related facilities around New Zealand. The company earns its revenue from service fees (occupancy licenses) and sales and resales of retirement units.

Why do we own it?

We appreciate the demographic trends that support the growth of the retirement village sector, we like the property exposure combined with the operating profits of Metlifecare, and we are enthusiastic about the growth opportunities that will emerge as the company develops its accumulated land bank.

2005 financials at a glance:

2005 Profit	\$21.7m
2005 Dividend Yield	Nil
Market Capitalisation	\$445m

MANAGER'S REPORT



celebrate you



MICHAEL HILL INT'L (H)

What does it do?

Michael Hill is a specialist jewellery retailer, with some 80% of jewellery supplied by its manufacturing divisions. The company operates 47 stores in New Zealand, 114 in Australia and 10 in Canada.

Why do we own it?

We have owned Michael Hill shares for many years and been impressed with the company's adherence to a policy of controlled profitable growth. The company has survived and indeed flourished in the competitive New Zealand and Australian retail markets, and we believe it has huge potential in Canada and beyond.

NZ EXCHANGE (N)

What does it do?

The NZ Stock Exchange demutualised in 2002 and listed as NZ Exchange in June 2003. The company now operates New Zealand's security exchanges as well as related registry and passive funds.

Why do we own it?

We own NZX because of its virtual monopolistic position, and because the management have shown themselves to be capable and entrepreneurial. As trading volumes and participation in the NZ stock exchange increase, the company's profitability is likely to continue to improve.

PUMPKIN PATCH (H)

What does it do?

Pumpkin Patch is a specialist childrenswear manufacturer and retailer. The company has grown to 67 stores in Australia, 37 in New Zealand and 10 in Britain, and supplies David Jones in Australia, Nordstrom in the US and Roches in Ireland.

Why do we own it?

We invested in Pumpkin Patch because we recognised it as a retail brand that had real international growth potential. We have been rewarded with strong share price performance as the company has exceeded expectations. We rate the company's design skills and successful product and retail store-format differentiation.

2005 financials at a glance:

2005 Profit	\$17m
2005 Dividend Yield	3.1%
Market Capitalisation	\$295m

2005 financials at a glance:

2005 Profit	\$4.9m
2005 Dividend Yield	8.0%
Market Capitalisation	\$119m

2005 financials at a glance:

2005 Profit	\$24.6m
2005 Dividend Yield	2.0%
Market Capitalisation	\$719m

MANAGER'S REPORT



RYMAN HEALTHCARE (H)

What does it do?

Ryman Healthcare was formed in 1984 to develop, construct and operate retirement villages in New Zealand. Initially operations were confined to the South Island but since 1997 expansion into the North Island has included acquisitions and development of properties in Wellington, Hamilton, Auckland and elsewhere.

Why do we own it?

We like Ryman Healthcare for many of the same reasons that we own Metlifecare. Ryman's properties differ in that they are in different locations than Metlifecare's, have more of a care offering and the company has a more substantial landbank.



SOFTWARE OF EXCELLENCE (N)

What does it do?

SOE is a leading developer and provider of clinical dental software for the international dental industry.

Why do we own it?

SOE has a leading market share in New Zealand and Australia, and is the fastest growing supplier in the UK. The company is well established in Australia, the Far East and Europe with considerable growth opportunities in these regions as well as the USA.

Waste Management



WASTE MANAGEMENT (H)

What does it do?

Waste Management operates in all segments of the waste collection business – from industrial and commercial waste, domestic waste collection, the operation of landfills and transfer stations, to composting and recycling.

Why do we own it?

The company has a dominant market position and has been able to grow earnings from a diverse range of activities within the waste industry. NOTE: On 27 March 2006, Waste Management and Transpacific Industries announced a merger proposal, offering shareholders a net cash price of \$8.642 for each Waste Management share. Subsequent to balance date, we accepted this offer.

2005 financials at a glance:

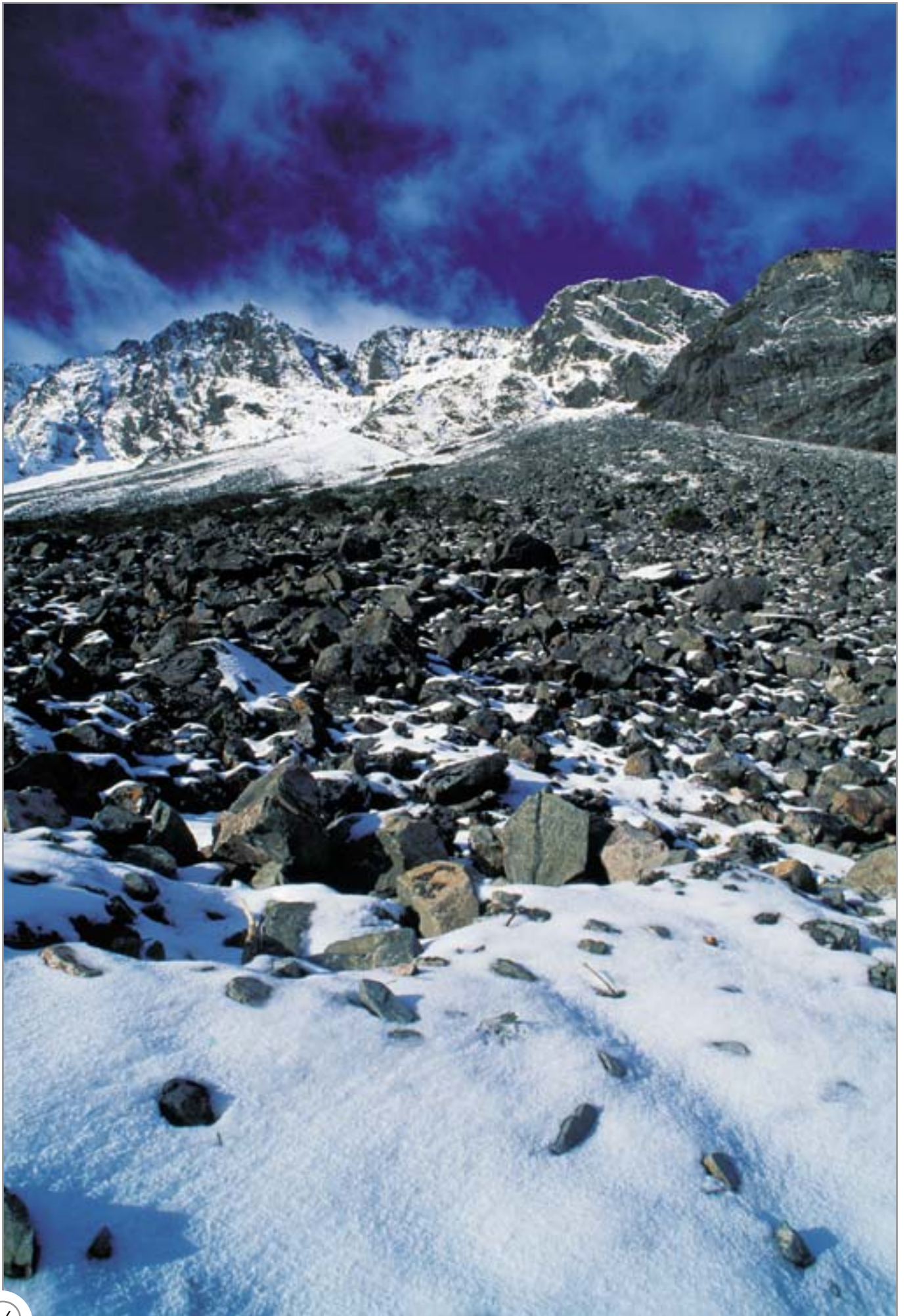
2005 Profit	\$23.5m
2005 Dividend Yield	1.8%
Market Capitalisation	\$665m

2005 financials at a glance:

2005 Profit	\$0.2m
2005 Dividend Yield	Nil
Market Capitalisation	\$36.3m

2005 financials at a glance:

2005 Profit	\$30.8m
2005 Dividend Yield	3.7%
Market Capitalisation	\$863m



BOARD OF DIRECTORS

ROB CHALLINOR

Chairman BCom (Economics), FCA, FCIS, CMA
Rob has over 20 years experience as a director of numerous public and private companies. He is currently a director of The Warehouse Group Limited, Ports of Auckland Limited and CDL Investments New Zealand Limited. In addition, Rob is a partner and director of investment bankers Northington Partners Limited, and a member of the Australasian Advisory Board of international strategy consultancy L.E.K. Consulting. He has recently retired, after 10 years, as the Chairman of Sheffield Limited. Other former directorships include Mighty River Power Limited, National Australia Bank New Zealand Limited, Tower Health and Life Limited, Television New Zealand Limited and Electricity Corporation of New Zealand Limited. Earlier in his career he was a partner in Deloitte and a corporate finance advisor. Rob is a Fellow of the Institute of Directors. His principal place of residence is Auckland.

CARMEL FISHER

Director BCA
Carmel established Fisher Funds Management Limited in 1998 and is also a director of Kingfish. Carmel has over 20 years experience in the investment industry. Carmel spent her early working career with sharebrokers Frances, Allison Symes and Co and Mouat Bolland (which subsequently become MB Stockbrokers). Carmel moved to Prudential Assurance in 1988 and in 1991 launched the Prudential Emerging Companies Trust, which in the year to December 1992 achieved an 83% return and was the best performing fund for the year. Carmel then moved to Sovereign Assurance and in 1994 developed and launched another small company fund, the Sovereign NZ Select Equities Fund. In late 1997, Carmel resigned from

Sovereign Asset Management to form Fisher Funds Management Limited. Over the past eight years Fisher Funds has offered investors an outstanding track record of investing in New Zealand small companies. Carmel's principal place of residence is Auckland and she can be contacted at Kingfish's registered office.

IAN HENDRY

Independent Director FCII, APMI
Ian has over 40 years experience in the financial services industry and held senior management positions with a major UK insurance company in London and Hong Kong before coming to New Zealand in 1988 to become a co-founder of Sovereign Limited. Ian was Group Managing Director at the time of Sovereign's IPO in 1998 and for three years after its acquisition by ASB Bank later that year. Ian is a Fellow of the Chartered Insurance Institute and is a Director of Sentinel Limited and Clavell Capital Limited, and has also served as a director of the Investment Savings and Insurance Association of New Zealand. His principal place of residence is Auckland.

ANNABEL COTTON

Independent Director
BMS (Accounting & Finance), ACA, CSAP
Annabel runs a consultancy firm, Merlin Consulting Limited. A qualified investment analyst and accountant, Annabel worked as an equity analyst before establishing investor relations programmes for Telecom Corporation of New Zealand and, subsequently, Air New Zealand. Since 1999 she has provided consultancy services to a number of New Zealand listed companies. Annabel is a member of the Securities Commission and a director of Genesis Power Limited. Annabel's principal place of residence is Auckland.



Rob Challinor



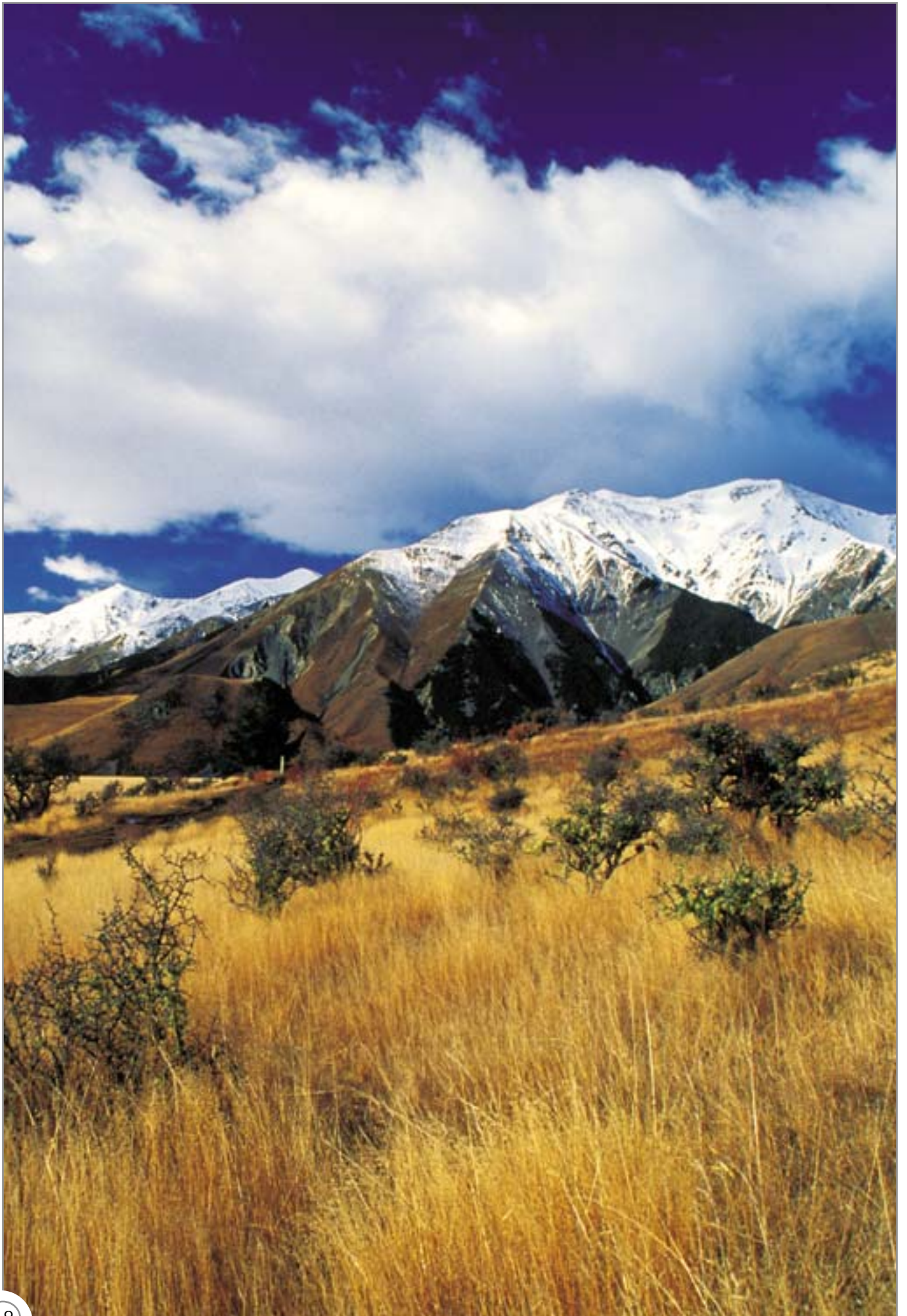
Carmel Fisher



Ian Hendry



Annabel Cotton



CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of Kingfish Limited ("Kingfish", "the Company") recognises the need for strong corporate governance practices and has adopted a comprehensive corporate governance code. This code meets the required corporate governance principles under the NZX Corporate Governance Best Practice Code and the Securities Commission Corporate Governance Principals.

The Board believes that the corporate governance structures and practices must encourage the creation of value for Kingfish shareholders whilst ensuring the highest standards of ethical conduct and providing accountability and control systems commensurate with the risks involved.

ROLE AND COMPOSITION OF THE BOARD

Kingfish retains a separate Board of Directors from the Manager, Fisher Funds Management Limited. The Board aims to ensure that shareholders' interests are held paramount.

The Board is responsible for the direction and control of Kingfish and is accountable to shareholders and others for Kingfish's performance and its compliance with the appropriate laws and standards.

A key responsibility of the Kingfish Board is to monitor the performance of the Manager on an ongoing basis.

Kingfish offers shareholders a highly experienced Board with financial markets experience and strengths in funds management and corporate governance.

The Kingfish Constitution requires a minimum of three Directors with a maximum of seven. At least two of the Directors must be ordinarily resident in New Zealand. The composition of the Board must include a minimum number of two Independent Directors. The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board

The Board currently comprises three non-executive Directors including the Chairman and one

executive Director. The Board considers that all non-executive Directors are independent in terms of the New Zealand Exchange requirements.

INDEPENDENT DIRECTORS

- ⇒ Rob Challinor (Chairman)
- ⇒ Annabel Cotton
- ⇒ Ian Hendry

DIRECTOR

- ⇒ Carmel Fisher

Profiles of the individual Directors can be found on page 17.

Appropriate notice of Director nominations has been provided in accordance with the requirements of the New Zealand Exchange, the Kingfish Constitution and the Companies Act 1993.

The Board met 12 times during the year and received papers, including regular reports from the Corporate Manager and Investment Manager to read and consider before each meeting. The Board is provided at all times with accurate, timely information on all aspects of Kingfish operations. The Board is kept informed of key risks to Kingfish on a continuing basis. In addition the Board meets whenever necessary to deal with specific matters needing attention between the scheduled meetings.

BOARD MEMBERS	MEETINGS ATTENDED
Rob Challinor - Chairman	12
Ian Hendry	12
Annabel Cotton	12
Carmel Fisher	12
Meetings held	12

The Board conducts an annual performance review of the Board as a whole and each Director. This review is designed to measure performance >

CORPORATE GOVERNANCE STATEMENT

through peer review and self assessment. The Chairman then initiates a review with each Director and a collective review of Board performance.

In accordance with the Company's constitution one third, or the number nearest to one third, of the Directors (excluding any Director appointed since the previous Annual Shareholders Meeting) retire by rotation at the Annual Shareholders Meeting. As the current Kingfish Directors were appointed on the same day, they retire in the order determined by lot.

BOARD COMMITTEES – AUDIT COMMITTEE

The Kingfish Audit Committee has been established to focus on audit and risk management and specifically addresses responsibilities relative to financial reporting and regulatory conformance.

The Audit Committee is accountable for ensuring the performance and independence of the external auditors – PricewaterhouseCoopers. The Audit Committee also recommends to the Board which services other than the statutory audit, may be provided by PricewaterhouseCoopers as auditors.

The Audit Committee comprises Annabel Cotton (Chairman), Ian Hendry and Rob Challinor. Meetings are held not less than twice a year having regard to Kingfish's reporting and audit cycle.

AUDIT COMMITTEE MEMBERS	MEETINGS ATTENDED
Annabel Cotton - Chairman	3
Ian Hendry	3
Rob Challinor	3
Meetings held	3

The Audit Committee may have in attendance such members of management including the Kingfish Corporate Manager, a representative from the Manager, Fisher Funds, and such other persons including the external auditors, as it considers necessary to provide appropriate information and explanations.

A copy of the full terms of reference of the Audit Committee is available at www.kingfishlimited.co.nz.

OTHER COMMITTEES

Due to the importance of nomination and remuneration matters these are addressed by all Board members as a whole and consequently there is no separate Nomination or Remuneration Committee.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for Kingfish's system of risk management and internal control. Kingfish has in place policies and procedures to identify areas of significant business risk and implement procedures to manage effectively those risks. Key risk management tools used by Kingfish include the Audit Committee function, outsourcing of certain functions to experts, internal controls, financial and compliance reporting procedures and processes, business continuity planning and insurance.

A copy of the full terms of the Risk Management Policy is available at www.kingfishlimited.co.nz

ETHICAL CONDUCT

Kingfish has adopted a policy of business ethical conduct that is designed to formalise its commitment to the highest standards of ethical conduct and to provide all Directors and representatives with clear guidance on those standards. These are governed by the Code of Ethics, Conflicts of Interest Policy and the Insider Trading Policy.

The Code of Ethics details the ethical and professional behavioral standards required of the Directors and the Corporate Manager. The code also provides the means for proactively addressing and resolving potential ethical issues.

The Conflicts of Interest Policy details the

CORPORATE GOVERNANCE STATEMENT

process to be adopted for identifying conflicts of interest and the actions that should be taken.

The Insider Trading Policy details the procedure whereby Kingfish Directors may trade in Kingfish shares and Kingfish warrants, exercise warrants and take up shares purchased under the Dividend Reinvestment Plan. Directors may not trade in Kingfish shares or warrants when they have price sensitive information that is not publicly available. In addition, except where the Directors have the permission of the Board, the Directors may trade in Company shares and warrants only during the trading window commencing immediately after Kingfish's weekly disclosure of its Net Asset Value ("NAV") to the New Zealand Exchange, and ending at the close of trade two days following the NAV disclosure.

The Company maintains an interests register in which the particulars of certain transactions and matters involving Directors must be recorded. Details of all matters entered into the register by individual Directors is outlined on page 43.

A copy of the full terms of the Code of Ethics, Conflicts of Interest Policy and the Insider Trading policy is available at www.kingfishlimited.co.nz

SHAREHOLDER RELATIONS

The Board recognises the importance of providing comprehensive and timely information to shareholders.

Up to date company information is contained on the Kingfish website (www.kingfishlimited.co.nz) which includes the publication of the most recent NAV. The NAV is released to the NZX on a weekly basis and at the end of each month. Information is also communicated to shareholders in the Interim Report and the Quarterly Shareholders Update.

The release of the Annual Report is followed by the Annual Shareholders Meeting which the Board recognises as an important forum at which the shareholders can meet and question the Board. Full participation of shareholders is encouraged at the Annual Shareholders Meeting to ensure a high level of accountability and identification with the Company's strategies and goals. Shareholders are encouraged to submit questions in writing prior to the meeting.

“Kingfish has adopted a policy of business ethical conduct that is designed to formalise its commitment to the highest standards...”



DIRECTORS' STATEMENT OF RESPONSIBILITY

FOR THE PERIOD ENDED 31 MARCH 2006

We have pleasure in presenting the financial statements for Kingfish Limited for the period ended 31 March 2006.

We have ensured that the financial statements for Kingfish Limited give a true and fair view of the financial position of the Company as at 31 March 2006 and its financial performance and cash flows for the period ended on that date.

We have ensured that the accounting policies used by the Company comply with generally accepted accounting practice in New Zealand and believe that proper accounting records have been kept. We have ensured compliance of the financial statements with the Financial Reporting Act 1993.

We also consider that adequate controls are in place to safeguard the Company's assets and to prevent and detect fraud and other irregularities.

The Kingfish Board authorised these financial statements for issue on 4 May 2006.



Rob Challinor – Chairman



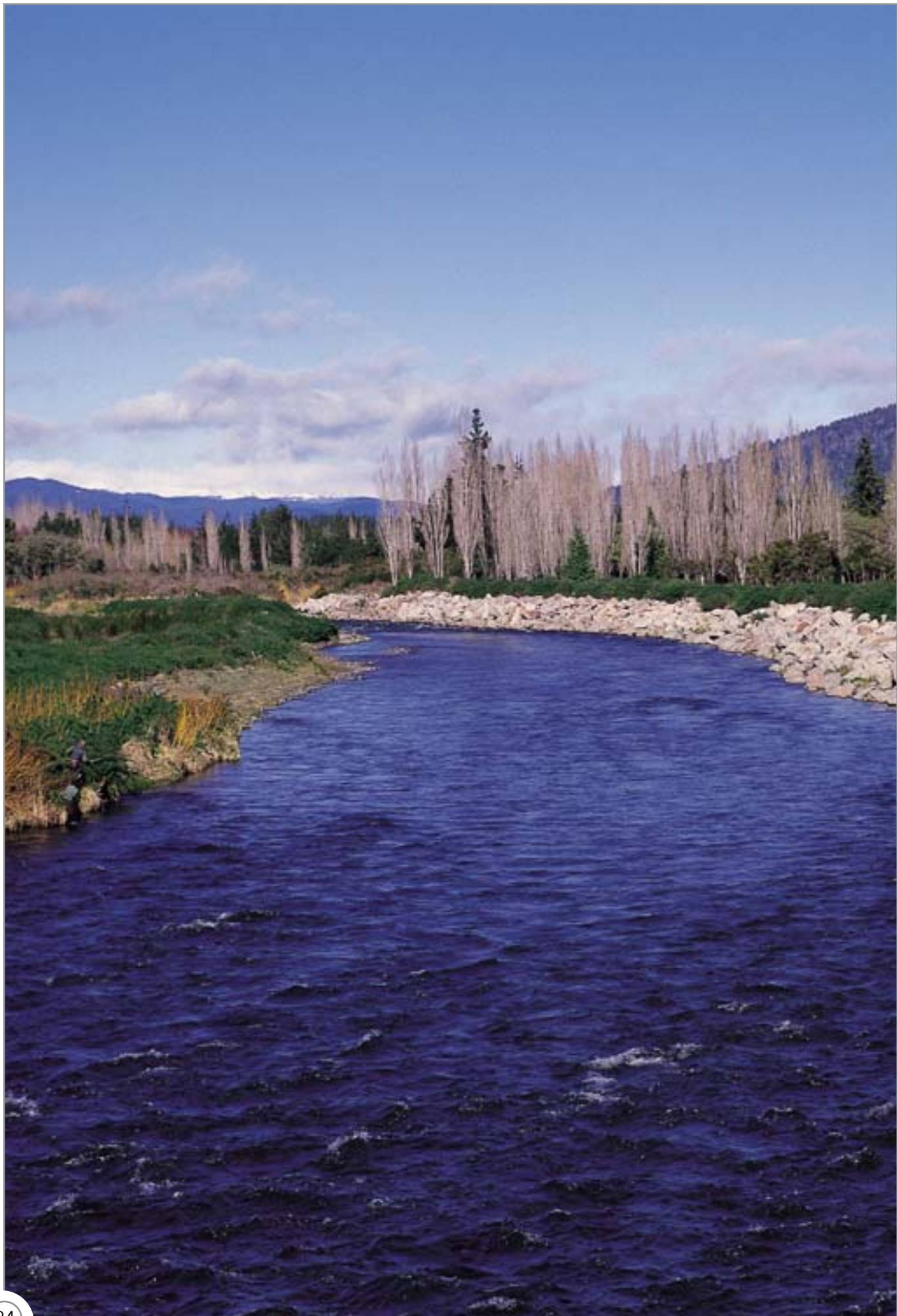
Annabel Cotton



Carmel Fisher



Ian Hendry



STATEMENT OF FINANCIAL PERFORMANCE

FOR THE PERIOD ENDED 31 MARCH 2006

	NOTES	2006 GROUP	2005 GROUP	2006 PARENT	2005 PARENT
		₹000	₹000	₹000	₹000
Interest		222	848	33	70
Dividends		2,604	1,915	1,185	0
Management fee income	10	0	0	2,437	3,017
Movement in unrealised gains on investments		20,506	19,799	0	0
Total income		23,332	22,562	3,655	3,087
Realised losses on the sale of investments		(1,808)	(201)	0	0
Operating expenses	1	(2,891)	(3,602)	(2,416)	(3,061)
Issue expenses		0	(1,856)	0	(1,856)
Total expenses		(4,699)	(5,659)	(2,416)	(4,917)
Operating surplus/(deficit) before income tax		18,633	16,903	1,239	(1,830)
Income tax	3	214	(217)	(23)	21
Operating surplus/(deficit) after income tax		18,847	16,686	1,216	(1,809)

The Accounting Policies set out on pages 30 to 32 and the Notes to the Financial Statements set out on pages 33 to 38 should be read in conjunction with this Statement of Financial Performance.

STATEMENT OF MOVEMENTS IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2006

	NOTES	2006 GROUP	2005 GROUP	2006 PARENT	2005 PARENT
		₹000	₹000	₹000	₹000
Net surplus/(deficit) for the period		18,847	16,686	1,216	(1,809)
Total recognised revenue and expenses		18,847	16,686	1,216	(1,809)
Contributions from owners					
- Shares issued	2	1,328	58,500	1,328	58,500
Distributions to owners					
- Dividends paid	4	(1,187)	0	(1,187)	0
Share and warrant buybacks	2	(1,919)	0	(1,919)	0
Movements in equity for the period		17,069	75,186	(562)	56,691
Equity at beginning of period		75,186	0	56,691	0
Equity at end of period		92,255	75,186	56,129	56,691

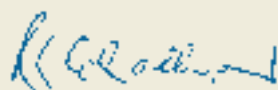
The Accounting Policies set out on pages 30 to 32 and the Notes to the Financial Statements set out on pages 33 to 38 should be read in conjunction with this Statement of Movements in Equity.

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2006

	NOTES	2006 GROUP	2005 GROUP	2006 PARENT	2005 PARENT
		£000	£000	£000	£000
ASSETS					
Current Assets					
- Cash on deposit		3,259	4,752	952	492
- Accounts receivable	6	321	105	26	0
- Intercompany receivables	10	0	0	1,234	2,039
- Current tax receivable	3	0	41	0	43
Total Current Assets		3,580	4,898	2,212	2,574
Investments	8	90,405	74,507	0	0
Advances to Subsidiaries	5, 9	0	0	55,482	56,165
Future Income Tax Benefit	3	0	26	0	0
Deferred Tax Asset	3	0	0	0	20
TOTAL ASSETS		93,985	79,431	57,694	58,759
LIABILITIES					
Current Liabilities					
- Accounts payable	7	1,407	4,002	1,241	2,068
- Payments received in advance of warrant exercise	2	323	0	323	0
- Current tax payable	3	0	0	1	0
Total Current Liabilities		1,730	4,002	1,565	2,068
Deferred Tax Liability	3	0	243	0	0
TOTAL LIABILITIES		1,730	4,245	1,565	2,068
EQUITY					
- Share capital	2	57,909	58,500	57,909	58,500
- Retained earnings	4	34,346	16,686	(1,780)	(1,809)
TOTAL EQUITY		92,255	75,186	56,129	56,691
TOTAL EQUITY AND LIABILITIES		93,985	79,431	57,694	58,759

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



DIRECTOR - Rob Challinor
4 May 2006



DIRECTOR - Annabel Cotton
4 May 2006

The Accounting Policies set out on pages 30 to 32 and the Notes to the Financial Statements set out on pages 33 to 38 should be read in conjunction with this Statement of Financial Position.

KINGFISH LIMITED
STATEMENT OF CASH FLOWS
 FOR THE PERIOD ENDED 31 MARCH 2006

NOTES	2006 GROUP	2005 GROUP	2006 PARENT	2005 PARENT
	₹000	₹000	₹000	₹000
Operating Activities				
<i>Cash was provided from:</i>				
- Interest received	222	847	33	70
- Dividends received	2,413	1,811	1,185	0
- Other income	0	0	3,242	978
- Taxes received	38	0	41	0
<i>Cash was applied to:</i>				
- Taxes paid	0	(41)	0	(42)
Operating expenses (including performance fee)	(3,813)	(3,129)	(3,243)	(2,849)
Net cash (outflows)/inflows from operating activities	(1,140)	(512)	1,258	(1,843)
Investing Activities				
<i>Cash was provided from:</i>				
- Sale of investments	9,374	4,203	0	0
<i>Cash was applied to:</i>				
- Purchase of investments	(8,246)	(57,439)	0	0
Net cash inflows/(outflows) from investing activities	1,128	(53,236)	0	0
Financing Activities				
<i>Cash was provided from:</i>				
- Proceeds of share issue and warrant exercise	1,625	58,500	1,625	58,500
- Net advances from subsidiaries	0	0	683	0
<i>Cash was applied to:</i>				
- Share and warrant buy-back	(1,919)	0	(1,919)	0
- Dividends paid	(1,187)	0	(1,187)	0
- Net advances to subsidiaries	0	0	0	(56,165)
Net cash (outflows)/inflows from financing activities	(1,481)	58,500	(798)	2,335
Net (decrease)/increase in cash held	(1,493)	4,752	460	492
Cash at beginning of period	4,752	0	492	0
Cash at end of period	3,259	4,752	952	492
Composition of cash				
Cash and bank balances	3,259	4,752	952	492
	3,259	4,752	952	492

The Accounting Policies set out on pages 30 to 32 and the Notes to the Financial Statements set out on pages 33 to 38 should be read in conjunction with this Statement of Cash Flows.

STATEMENT OF CASH FLOWS CONTINUED

FOR THE PERIOD ENDED 31 MARCH 2006

NOTES	2006 GROUP	2005 GROUP	2006 PARENT	2005 PARENT
	€000	€000	€000	€000
Reconciliation of operating surplus/(deficit) to net cash flows from operating activities				
Reported surplus/(deficit) after tax	18,847	16,686	1,216	(1,809)
Items not involving cash flows				
- (Decrease)/increase in deferred tax liability/(asset)	(243)	243	20	(20)
- Decrease/(increase) in future income tax benefit	26	(26)	0	0
- Movement in unrealised gains on investments	(20,506)	(19,799)	0	0
	(20,723)	(19,582)	20	(20)
Impact of changes in working capital items				
- (Decrease)/increase in fees payable	(922)	2,328	(827)	2,068
- Increase in withholding tax payable	0	1	0	0
- Increase in interest and dividends receivable	(191)	(105)	0	0
- Decrease/(increase) in intercompany receivables	0	0	805	(2,039)
- Decrease/(increase) in current taxation receivable	41	(41)	44	(43)
	(1,072)	2,183	22	(14)
Items classified as investing activities				
- Realised losses on investments	1,808	201	0	0
	1,808	201	0	0
Net cash flow from operating activities	(1,140)	(512)	1,258	(1,843)

The Accounting Policies set out on pages 30 to 32 and the Notes to the Financial Statements set out on pages 33 to 38 should be read in conjunction with this Statement of Cash Flows.

ENTITIES REPORTING

The consolidated financial statements for the "Group" are for the economic entity comprising Kingfish Limited (the "Parent") and its subsidiaries Kingfish Holdings Limited and Kingfish Nursery Limited.

STATUTORY BASE

Kingfish Limited is a company registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993, the Companies Act 1993 and New Zealand Financial Reporting Standards.

ACCOUNTING PERIOD

The financial statements cover results from operations for the 12-month period ended 31 March 2006.

The comparative figures cover the audited results from operations for the financial period from the date of incorporation on 30 January 2004 to 31 March 2005.

MEASUREMENT BASE

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

ACCOUNTING POLICIES

The financial statements are prepared in accordance with New Zealand generally accepted accounting practice. The accounting policies that materially affect the measurement of financial performance, financial position and cash flows are set out below:

GROUP FINANCIAL STATEMENTS

The Group financial statements consolidate the financial statements of subsidiaries, using the purchase method.

Subsidiaries are entities that are controlled, either directly or indirectly, by the Parent.

All material transactions between subsidiaries or between the Parent and subsidiaries are eliminated on consolidation.

The results of subsidiaries acquired or disposed of during the year are included in the Statement of Financial Performance from the date of acquisition or up to the date of disposal.

INVESTMENT INCOME

Dividends are recorded as income at the date the shares become ex-dividend.

Interest is accounted for as earned.

PERFORMANCE FEE

The performance fee is recognised on an accrual basis based on the performance of the Group up to the balance date. Refer to Note 13 of the Notes to the Financial Statements.

INCOME TAX

The income tax expense recognised for the year is based on the accounting surplus, adjusted for permanent differences between accounting and tax rules.

The impact of all timing differences between accounting and taxable income is recognised as a deferred tax liability or asset. This is the comprehensive basis for the calculation of deferred tax under the liability method.

A deferred tax asset is recognised in the financial statements only to the extent that there is virtual certainty that the benefit of the timing differences, or losses, will be utilised.

GOODS AND SERVICES TAX (GST)

Kingfish Limited is registered for GST and its financial statements are prepared on a GST exclusive basis. Kingfish Holdings Limited and Kingfish Nursery Limited are not registered for GST as their activities relate to financial services and their financial statements (as consolidated) include GST where applicable.

INVESTMENTS

Investments in subsidiaries are stated at cost. Investments in equities and debt are stated at their net market value at the balance sheet date. Other investments are stated at the lower of cost or net realisable value.

ACCOUNTS RECEIVABLE

Accounts receivable are carried at estimated realisable value after providing against debts where collection is doubtful.

FINANCIAL INSTRUMENTS

Financial instruments carried on the Statement of Financial Position include cash and bank balances, investments, accounts receivable and accounts payable. The various accounting policies associated with these financial instruments have been disclosed above.

STATEMENT OF CASH FLOWS

The following are definitions of the terms used in the Statement of Cash Flows:

- (a) Operating activities include all transactions and other events that are not investing or financing activities.
- (b) Investing activities are those activities relating to the acquisition, holding and disposal of investments. Investments can include securities not falling within the definition of cash.
- (c) Financing activities are those activities that result in changes in the size and composition of the capital structure. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.
- (d) Cash is considered to be cash on hand, current accounts in banks and short-term deposits.

ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Institute of Chartered Accountants of New Zealand has announced that New Zealand entities will adopt New Zealand International Financial Reporting Standards ("NZ IFRS") for financial years commencing after 1 January 2007. Entities may

however, choose to adopt NZ IFRS from 1 January 2005. The Group has chosen to adopt NZ IFRS for the financial year commencing on 1 April 2007.

The first set of financial statements that the Group will release under NZ IFRS will be for the six months ended 30 September 2007. The requirement for comparative figures means that an NZ IFRS opening balance sheet has been prepared as at 1 April 2006.

The Board in conjunction with external professional advisers has considered the implications of NZ IFRS on the Group and is currently working on quantifying the impact on the financial statements and preparing Kingfish Limited for transition.

The Group has developed systems for bid price investment valuation and recording transaction costs in the income statements. PricewaterhouseCoopers have been engaged to perform procedures on the opening NZ IFRS balances at 1 April 2006. In accordance with FRS 41 the key areas where accounting policies may change and have an impact on the financial statements are:

IAS 39 - Financial Instruments*Recognition and Measurement*

Under NZ IFRS the Group will continue to classify and measure financial assets at "fair value through profit or loss" in the income statement (currently referred to as the Statement of Financial Performance). This designation on inception is to provide more relevant information given that the portfolio is managed, and performance evaluated, on a fair value basis, in accordance with the documented investment strategy.

Transaction costs relating to assets classified as "fair value through profit or loss" are recognised in the income statements. These have previously been recorded as part of the initial investment cost.

Bid price valuation rather than last sale price will be required to be applied as a measure of fair value of investments. >

IAS 12 - Income Taxes

Under NZ IFRS a "balance sheet" (currently referred to as the Statement of Financial Position) approach will be adopted. This method involves recognising deferred tax on all temporary differences between the accounting and tax values for each asset and liability. The transition from an income statement method to a balance sheet approach is likely to require the additional recognition of deferred tax assets and liabilities.

DISCLOSURE REQUIREMENTS

NZ IFRS will require additional disclosure and will result in a number of changes to the way that the financial information is presented.

All the financial information in these financial statements has been prepared in accordance with current New Zealand generally accepted accounting

practice ("NZ FRS"). The accounting policy differences between current NZ FRS and NZ IFRS identified above may have a significant effect on the Group's financial position and performance.

The areas identified above should not be taken as an exhaustive list of all the differences between NZ FRS and NZ IFRS. None of the potential impacts of the adoption of NZ IFRS on our financial performance and financial position, including implementation costs, has yet been quantified and the impact of them may be material.

NZ IFRS may change between the date of these financial statements and the date of adoption.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year.

	2006 GROUP \$000	2005 GROUP \$000	2006 PARENT \$000	2005 PARENT \$000
NOTE 1 Operating Expenses				
Audit fees	37	32	11	17
Directors' fees	106	118	34	37
Manager's fee	1,069	940	950	836
Manager's performance fee	1,279	2,196	1,137	1,952
Other expenses	400	316	284	219
Total operating expenses	2,891	3,602	2,416	3,061
NOTE 2 Share Capital				
Ordinary shares				
Opening balance	58,500	0	58,500	0
Proceeds of shares issued	1,328	58,500	1,328	58,500
Share buybacks-treasury stock	(1,533)	0	(1,533)	0
Warrant buybacks	(386)	0	(386)	0
Closing balance	57,909	58,500	57,909	58,500

As at 31 March 2006 there were 59,645,509 Kingfish Shares on issue, including treasury stock.
(31 March 2005: 58,500,000).

All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

During the period the following transactions affected issued and paid up capital:

- i) On 29 April 2005, 759,560 shares were issued to Fisher Funds Management Limited as per the terms of the Management Agreement as part payment of the 2005 performance fee expensed in the financial statements for the period ended 31 March 2005. These shares were issued at an issue price equal to the Net Asset Value per share at 31 March 2005 of \$1.29.
- ii) On 10 June 2005, 385,949 shares were issued under the terms of the Kingfish Dividend Reinvestment Plan at an issue price of \$0.91.
- iii) On 29 October 2005, Kingfish Limited announced that it would undertake an on-market buyback of up to 2.925 million of its ordinary shares between 1 November 2005 and 31 October 2006. At 31 March 2006, 1,579,706 ordinary shares had been purchased at a total cost of \$1,532,650. All the shares acquired under the buyback are held as treasury stock.

Warrants/Options

As at 31 March 2006 there were 56,083,612 Kingfish Warrants on issue (31 March 2005: 58,500,000).

During the period the following transactions affected warrants on issue:

- i) On 23 November 2005, Kingfish Limited announced that it would undertake an on-market warrant buyback of up to a maximum of 8.775 million warrants between 29 November 2005 and 31 October 2006. As at 31 March 2006, 2,416,388 warrants had been acquired under the buyback at a total cost of \$386,591 and subsequently cancelled.
- ii) On 5 April 2006, 322,600 Kingfish shares were allotted for the 31 March 2006 exercise of warrants. The shares were issued in accordance with the NZX Listing Rules. The shares allotted were transferred from treasury stock. Kingfish Limited has received \$322,600 from the exercise of these warrants.

Each Kingfish warrant held entitles the holder to subscribe for an ordinary share at an exercise price of \$1.00 exercisable on either 31 March 2006 (see above), 31 March 2007 or finally 31 March 2008. Holders can elect to exercise some or all of their warrants on any of these dates subject to a minimum exercise of 500 warrants. The fair value of the warrants based on the last trading price at 31 March 2006 was \$0.24 each. ➤

	2006 GROUP \$000	2005 GROUP \$000	2006 PARENT \$000	2005 PARENT \$000
NOTE 3 Income Tax				
(i) Taxation expense				
Net surplus/(deficit) before tax	18,633	16,903	1,239	(1,830)
Tax thereon at 33%	6,149	5,578	409	(604)
<i>Adjusted for the tax effect of:</i>				
- Imputation credits	(675)	(500)	0	0
- Realised losses Kingfish Holdings	628	136	0	0
- Unrealised gains Kingfish Holdings	(7,191)	(6,196)	0	0
- Other permanent differences	0	1,199	(391)	583
- Deferred tax written back	421	0	385	0
- Future income tax benefit written back	454	0	0	0
- Transfer of losses within Group	0	0	(380)	0
Taxation expense/(benefit)	(214)	217	23	(21)
<i>Taxation expense/(benefit) comprises:</i>				
- Current tax	3	0	3	(1)
- Future income tax benefit	26	(26)	0	0
- Deferred tax	(243)	243	20	(20)
	(214)	217	23	(21)
(ii) Current tax provision				
Opening balance	41	0	43	0
Current tax movement	3	0	(3)	0
Tax consolidated group offsets	(3)	0	0	1
Tax (refunded)/paid	(41)	41	(41)	42
Closing balance receivable/(payable)	0	41	(1)	43
(iii) Movements in future income tax benefit				
Opening balance	26	0	0	0
Excess imputation credits converted to tax loss	454	26	0	0
Tax losses utilised	(26)	0	0	0
Future income tax benefit written back	(454)	0	0	0
Closing balance	0	26	0	0
(iv) Movements in deferred tax				
Opening balance	(243)	0	20	0
Market value adjustment	423	(337)	0	0
Timing differences	241	94	365	20
Deferred tax written back	(421)	0	(385)	0
Closing balance	0	(243)	0	20

Note 1: The market value adjustment in (iv) above relates to unrealised losses/(gains) on investments held by Kingfish Nursery.

Note 2: A deferred tax asset is recognised only to the extent that there is virtual certainty that the timing differences, or losses, will be utilised.

	2006 GROUP \$000	2005 GROUP \$000	2006 PARENT \$000	2005 PARENT \$000
NOTE 3 Income Tax Continued				
(v) Movements in imputation credit account				
Opening balance	787	0	42	0
Net imputation credits received	1,007	746	0	0
Net imputation credits attached to dividends	(581)	0	0	0
Tax (refunded)/paid	(41)	41	(41)	42
Closing balance	1,172	787	1	42

NOTE 4 Retained Earnings				
Balance at beginning of period	16,686	0	(1,809)	0
Net surplus/(deficit) for the period	18,847	16,686	1,216	(1,809)
Dividends paid	(1,187)	0	(1,187)	0
Balance at end of period	34,346	16,686	(1,780)	(1,809)

Subsequent to balance date, Kingfish Limited declared a fully imputed net dividend of 2.5 cents per share in respect of the year ended 31 March 2006. The dividend will be paid on 16 June 2006, based on the number of eligible shares at 2 June 2006.

NOTE 5 Investments in Subsidiaries

The Parent's investment in each subsidiary comprises 100 ordinary shares at cost of \$100. The subsidiaries are:

Name of Entity	% Holding	Principal Activities
Kingfish Holdings Ltd	100%	Long-term investment in growing NZ companies.
Kingfish Nursery Ltd	100%	Short-term investment in growing NZ companies.

All subsidiary entities have a balance date of 31 March.

Advances to subsidiaries have been split out from investments in subsidiaries in the current and prior period.

	2006 GROUP \$000	2005 GROUP \$000	2006 PARENT \$000	2005 PARENT \$000
NOTE 6 Accounts Receivable				
Interest receivable	1	1	0	0
Dividends receivable	295	104	0	0
Other receivables	25	0	26	0
Total Accounts Receivable	321	105	26	0

NOTE 7 Accounts Payable

Performance fee payable to the Manager	1,279	2,196	1,137	1,952
Management fee payable to the Manager	104	94	93	83
Other fees payable	23	38	11	33
Withholding tax payable	1	1	0	0
Investment purchases payable	0	1,673	0	0
Total Accounts Payable	1,407	4,002	1,241	2,068

	2006 GROUP \$'000	2005 GROUP \$'000
NOTE 8 Investments		
The investment portfolio revalued to current market values at balance date is summarised as follows:		
NZ equities at cost	49,951	54,709
Unrealised gains on NZ equities	40,311	19,798
Mandatory convertible notes at cost	150	0
Unrealised losses on mandatory convertible notes	(6)	0
Total Investments	90,406	74,507

No equity or debt investments are held by the Parent company.

NOTE 9 Related Party Information

The Manager of Kingfish Limited is Fisher Funds Management Limited. Fisher Fund Management Limited is a related party by virtue of shareholding, common directorship and a management contract. Management fees paid or payable (inclusive of GST) to Fisher Funds Management Limited for the year ended 31 March 2006 totalled \$1,069,000 (31 March 2005: \$940,000).

The Management Agreement with Fisher Funds Management Limited 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 will be reduced by 0.10% for each 1.0% per annum by which the Gross Return achieved on the portfolio during each financial year is less than the change in the NZX 90 Day Bank Bill Index over the same period.

A performance fee inclusive of GST of \$1,279,000 (31 March 2005: \$2,196,000) is payable to the Manager and has been expensed in the accounts. See Note 13. The performance fee will be recovered from Kingfish Holdings Limited and Kingfish Nursery Limited in proportion to their Net Asset Value at balance date and this recovery has been recognised in the Parent financial statements.

As at 31 March 2006 Fisher Funds Management Limited owned 1,394,560 Kingfish shares (representing 2.34% of total issued capital) and 635,000 warrants.

All members of the Group are considered to be related parties of Kingfish Limited. This includes the subsidiaries identified in note 5.

During the year, the Parent had related party transactions with the subsidiaries as described in note 10.

Advances to Subsidiaries are made on an interest free basis with no fixed maturity.

NOTE 10 Internal Management Fee

The Parent company provides administrative services for the subsidiaries and enters into contracts (including a management agreement with Fisher Funds Management Limited) for the provision of goods and services that directly benefit subsidiary companies. The Parent and subsidiaries have agreed that the Parent will charge an internal management fee to cover costs it has incurred on behalf of the subsidiaries.

	2006 GROUP \$'000	2005 GROUP \$'000
<i>Internal Management Fee Income comprises:</i>		
Manager's performance fee	1,137	1,952
Manager's fee	950	836
Internal charges	350	229
	2,437	3,017

The internal management fee income of the Parent is eliminated upon consolidation of the Group.

NOTE 10 Internal Management Fee Continued

The internal charges in the Group represents the net effect of GST not recoverable on expenses recharged to Kingfish Holdings Limited and Kingfish Nursery Limited. This is shown in the financial statements as an operating expense of \$43,000 to the consolidated Group. The Manager's performance fee and the Manager's fee are shown exclusive of GST in the Parent company financial statements.

The Manager's performance fee and the Manager's fee payable by the group to Fisher Funds Management Limited are disclosed in the consolidated financial statements as operating expenses of the consolidated group.

The following management fees were receivable by the Parent (on a GST exclusive basis) from the subsidiaries as at 31 March 2006:

	2006 HOLDINGS \$000	2006 NURSERY \$000	GST INCL. IN SUBSIDIARIES \$000	2006 PARENT \$000
Manager's fee	96	8	(11)	93
Manager's performance fee	1,185	94	(142)	1,137
Internal charges	5	0	(1)	4
	1,286	102	(154)	1,234
	2005 HOLDINGS \$000	2005 NURSERY \$000	GST INCL. IN SUBSIDIARIES \$000	2005 PARENT \$000
Manager's fee	81	12	(10)	83
Manager's performance fee	1,918	278	(244)	1,952
Internal charges	4	1	(1)	4
	2,003	291	(255)	2,039

(See Statement of Accounting Policies for GST treatment.)

All transactions are carried out in the ordinary course of the Group and Parent's activities and are effected on arm's length terms. No amounts owed by related parties have been written off or forgiven during the period.

NOTE 11 Financial Instruments

The Group is subject to a number of financial risks which arise as a result of its investment activities.

To manage and limit the effects of those financial risks, the Board of Directors has approved policy guidelines and authorised the use of various financial instruments. The policies approved, and financial instruments being utilised during the year are outlined below.

Interest Rate Risk

Financial instruments which potentially subject the Group and Parent to interest rate risk are short-term deposits. The Group and Parent 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. There is no hedge against the risk of downward movements in interest rates.

Credit Risk

In the normal course of its business, the Group is exposed to credit risk from transactions with its counterparties. There are no significant concentrations of credit risk. As the Group does not expect non-performance by counterparties, no collateral or security is required. The Group invests cash with banks rated AA3 or better.

Fair Values

Financial instruments consist of cash and short-term deposits, receivables, investments and accounts payable. The fair value of investments is estimated to be market value as detailed in the accounting policies. The fair value of all other financial instruments is represented by their carrying value. >

NOTE 12 Segmental Reporting

The Group operates in a single industry segment being financial investment in New Zealand.

NOTE 13 Performance Fee

The Management Agreement with Fisher Funds Management Limited 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.

At 31 March 2006 the Manager had achieved an increase in the Net Asset Value of 21.96% (excluding the performance fee) for the year, exceeding the Benchmark return of 14.43% and \$1.32 (being the highest Net Asset Value per share at the end of the previous calculation period of 31 March 2005).

In accordance with the terms of the Management Agreement, half of the performance fee payable (exclusive of GST) will be applied by the Manager to subscribe for shares in Kingfish Limited, issued at a price equal to the audited Net Asset Value per share at 31 March 2006.

The Group has expensed \$1,279,000 (inclusive of GST) in its Statement of Financial Performance for this performance fee (31 March 2005: \$2,196,000).

NOTE 14 Net Asset Value

The audited Net Asset Value per share of Kingfish Limited as at 31 March 2006 was \$1.59 per share.

The audited diluted Net Asset Value per share of Kingfish Limited at 31 March 2006 was \$1.30 per share.

The diluted Net Asset Value describes the effect if all options were exercised on the date of calculation of the Net Asset Value at \$1.00. Options are exercisable on either of 31 March 2006, 31 March 2007 and/or 31 March 2008.

NOTE 15 Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 March 2006 (31 March 2005: Nil).

NOTE 16 Subsequent Events

During April 2006, Kingfish Limited entered into a borrowing facility for up to \$15,000,000, in accordance with the terms of the Management Agreement, with ASB Bank Limited.

At 4 May 2006, \$3,500,000 million of the available facility had been drawn down to fund investment opportunities.

The amounts drawn down are for a 90-day period and are on normal commercial terms.

Other than the exercise of warrants discussed in Note 2, there were no events subsequent to 31 March 2006 which require adjustment of, or disclosure in, these financial statements (31 March 2005: None).



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Auditors' Report

To the shareholders of Kingfish Limited

We have audited the financial statements on pages 25 to 38. The financial statements provide information about the past financial performance and cash flows of the Company and Group for the year ended 31 March 2006 and their financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 30 to 32.

Directors' Responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements which give a true and fair view of the financial position of the Company and Group as at 31 March 2006 and their financial performance and cash flows for the year ended on that date.

Auditors' Responsibilities

We are responsible for expressing an independent opinion on the financial statements presented by the Directors and reporting our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- (a) the significant estimates and judgements made by the Directors in the preparation of the financial statements; and
- (b) whether the accounting policies are appropriate to the circumstances of the Company and Group, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as auditors. >



Auditors' Report
Kingfish Limited

Unqualified Opinion

We have obtained all the information and explanations we have required.

In our opinion:

- (a) proper accounting records have been kept by the Company as far as appears from our examination of those records; and
- (b) the financial statements on pages 25 to 38:
 - (i) comply with generally accepted accounting practice in New Zealand; and
 - (ii) give a true and fair view of the financial position of the Company and Group as at 31 March 2006 and their financial performance and cash flows for the year ended on that date.

Our audit was completed on 4 May 2006 and our unqualified opinion is expressed as at that date.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers'.

Chartered Accountants

Auckland

SHAREHOLDER INFORMATION

SIZE OF SHAREHOLDING AT 31 MARCH 2006

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	PERCENT OF TOTAL
1-999	74	31,445	0.1
1,000 - 4,999	1,608	4,211,053	7.1
5,000 - 9,999	1,521	8,644,946	14.5
10,000 - 49,999	1,549	24,070,240	40.4
50,000 - 99,999	96	5,447,976	9.0
100,000 - 499,999	48	7,288,706	12.2
500,000	9	9,951,143	16.7
	4,905	59,645,509	100

SIZE OF WARRANT HOLDING AT 31 MARCH 2006

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES	PERCENT OF TOTAL
1-999	3	1,700	0.0
1,000 - 4,999	1,354	3,548,824	6.3
5,000 - 9,999	1,272	6,933,355	12.4
10,000 - 49,999	1,370	21,781,135	38.8
50,000 - 99,999	99	5,724,000	10.2
100,000 - 499,999	67	11,946,205	21.3
500,000	10	6,148,393	11.0
	4,175	56,083,612	100

DIRECTORS' SECURITY HOLDINGS AS AT 31 MARCH 2006

SIZE OF HOLDING	SHARES HELD	WARRANTS HELD
Ian Hendry	51,096	50,000

Rob Challinor has a non-beneficial ownership of 10,000 shares and 10,000 warrants as a Trustee of the Challinor Trust.

Annabel Cotton has a non-beneficial ownership of 20,438 shares and 20,000 warrants as a Trustee of the Annabel Cotton Family Trust.

Carmel Fisher has a non-beneficial interest in 1,394,560 shares and 635,000 warrants as Trustee of the major shareholder of Fisher Funds Management Limited – a shareholder in Kingfish Limited. >

SHAREHOLDER INFORMATION

20 LARGEST SHAREHOLDERS AS AT 31 MARCH 2006

HOLDER NAME	SHARES HELD	PERCENT OF TOTAL
Westpac Nominees (NZ) Limited - A/C NZCSD	1,717,724	2.88
Kingfish Limited	1,579,706	2.65
Investment Custodial Services Limited	1,491,458	2.50
ASB Nominees Limited	1,394,560	2.34
Custodial Services Limited	1,276,065	2.14
First NZ Capital Custodians Limited	797,616	1.34
Timothy Charles Glasson & Warren James Bell	679,739	1.14
Murray John Lombard Aldridge & Lesley Ann Eldridge & Nicholas Corporate Trustee Co	510,968	0.86
Hubbard Churcher Trust Management Limited	500,000	0.84
ASB Nominees Limited	400,000	0.67
James Alton Jamieson	400,000	0.67
Irma Murray	400,000	0.67
Neil Sydney Cottle & Marilyn Frances Cottle & Polson Higgs Nominees Limited	350,000	0.59
Custodial Services Limited	310,466	0.52
David Punter & Nicholas Corporate Trustee Co Limited	267,632	0.45
Roxdale Foods Limited	250,000	0.42
Steven Grant Marshall	204,387	0.34
Patricia Margaret Prendeville & Peter James Prendeville	204,000	0.34
Desmond James Harrison & Winifred Helen Harrison	183,110	0.31
First NZ Capital Custodians Limited	168,387	0.28
	13,085,818	21.94

20 LARGEST WARRANT HOLDERS AS AT 31 MARCH 2006

HOLDER NAME	SHARES HELD	PERCENT OF TOTAL
First NZ Capital Custodians Limited	912,093	1.63
Feng Chen	737,000	1.31
Jon Roderick Manning & Jane Margaret-Anne Frances	678,020	1.21
ASB Nominees Limited	635,000	1.13
ASB Nominees Limited	600,000	1.07
Anthony Cornelius Bastings	550,000	0.98
Paul Jan Kriha	507,280	0.91
Peter John Holdsworth & Sonya Mercedes Holdsworth	500,000	0.89
Hubbard Churcher Trust Management Limited	500,000	0.89
Chork Yan Lee	500,000	0.89
Custodial Services Limited	484,000	0.86
Kerry Wayne Hyde	415,000	0.74
Thomas Peter Davies & Timothy James Banks	400,000	0.71
James Alton Jamieson	400,000	0.71
Irma Murray	400,000	0.71
Nigel James Mowlem & Terence Joseph Carter	388,834	0.69
Neil Sydney Cottle & Marilyn Frances Cottle & Polson Higgs Nominees Limited	350,000	0.62
Dana Limited	316,000	0.56
Edward Bruce Peck	315,000	0.56
TEA Custodians Limited - A/C NZCSD	300,000	0.54
	9,888,227	17.63

STATUTORY INFORMATION

DIRECTORS HOLDING OFFICE

The Company's Directors as at 31 March 2006 were:

- ⇒ Rob Challinor (Chairman)
- ⇒ Annabel Cotton
- ⇒ Carmel Fisher
- ⇒ Ian Hendry

No Directors ceased to hold office during the period. In accordance with the Kingfish Constitution, Ian Hendry retired by rotation and being eligible was re-elected at the 2005 Kingfish Annual Shareholders Meeting. Rob Challinor retires by rotation at the 2006 Annual Shareholders Meeting and being eligible, offers himself for re-election.

DIRECTORS' REMUNERATION

The following table sets out the total remuneration received by each Director from Kingfish Limited for the year ended 31 March 2006. None of the Directors of Kingfish Limited received any fees as a director of any subsidiary company of Kingfish. The Directors fees disclosed in the financial statements include a portion of non-recoverable GST expensed by Kingfish.

Directors' remuneration for the 12 months ended 31 March 2006.

DIRECTOR	REMUNERATION
Rob Challinor - Chairman	\$40,000*
Ian Hendry	\$30,000*
Annabel Cotton	\$30,000*
* excludes GST	

Carmel Fisher does not earn Directors fees.

EMPLOYEE REMUNERATION

Kingfish Limited did not have any employees during the year that received remuneration which exceeded \$100,000.

DISCLOSURE OF INTERESTS

Disclosure of General Interest made pursuant to section 140 of the Companies Act 1993 as at 31 March 2006.

ROB CHALLINOR

The Warehouse Group Limited	Director
Northington Partners Limited	Director
Northington Investments Limited	Director
Pastoral Management Limited	Director
Ports of Auckland Limited	Director
CDL Investments New Zealand Limited	Director
Eduhelp New Zealand Limited	Director
Copthorne Bay of Islands Hotel - JV	Director

IAN HENDRY

Congratulations Limited	Director
Inverclyde Investments Limited	Director
Buddy Limited	Director
Clavell Capital Limited	Director
Sentinel Limited	Director
Sentinel Assurance Limited	Director
No 8 Ventures - 2 Limited	Director
Australian Seniors Finance Limited	Director

ANNABEL COTTON

Merlin Consulting Limited	Director
Equity Products Limited	Director
Genesis Power Limited	Director
Securities Commission	Member

CARMEL FISHER

Fisher Funds Management Limited	Director
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STATUTORY INFORMATION

DIRECTORS' INDEMNITY AND INSURANCE

Kingfish Limited has insured all of its Directors against liabilities and costs referred to in Section 162 (3), 162 (4) and 162 (5) of the Companies Act 1993. The insurance does not cover liabilities arising from criminal actions.

AUDITORS' REMUNERATION

During the year the following amounts were paid/payable to the auditors – PricewaterhouseCoopers.

	\$000
Audit Fees	37
Other Services	0

DONATIONS

The Company did not make any donations during the period ended 31 March 2006.

NEW ZEALAND EXCHANGE WAIVERS

As at 31 March 2006, the Company held two waivers granted by the New Zealand Exchange.

1. Waiver from Listing Rules 3.1.1 and 7.3.1 (a) to the extent that Kingfish may issue shares to the Manager (Fisher Funds Management Limited) only where it is in accordance with the performance fee as described in Kingfish's Offer Document and the Kingfish Constitution.
2. Waiver from Listing Rule 9.2.1 under the exception provided in Listing Rule 9.2.4 (c) for the payments to the Manager (Fisher Funds Management Limited). This waiver will cease to have effect if any amendments are made to the Management Agreement.

DIRECTORY

Nature of Business

The principal activity of the group is investment in New Zealand companies.

Manager

Fisher Funds Management Limited
Level 2, 95 Hurstmere Road
Takapuna, Auckland

Directors

Independent Directors
Rob Challinor (Chairman)
Annabel Cotton
Ian Hendry

Director
Carmel Fisher

Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland

Auditors

PricewaterhouseCoopers
188 Quay Street, Auckland

Solicitors

Chapman Tripp Sheffield Young
Level 35, 23 - 29 Albert Street, Auckland

Bankers

ANZ
Level 9, ANZ Tower
215 - 229 Lambton Quay, Wellington

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