Mariner Bridge Investments Limited and Controlled Entities

(formerly Mariner Wealth Management Limited)

ABN 16 088 267 190

Annual Financial Report

Year ended 30 June 2007

Mariner Bridge Investments Limited and Controlled Entities
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Directors' Report

Your Directors present their report on the Group consisting of Mariner Bridge Investments Limited and the entities it controlled as at the end of, or during, the year ended 30 June 2007.

Directors

The Directors of the Company at the date of this Report are:

Irene Lee
Mark Phillips
Ian Ingram
Philip Lewis
Michael Perry

Ian Ingram was a Director of Mariner Bridge Investments Limited during the whole of the financial year and continues in office up to the date of this Report.

Mark Phillips was appointed as Director on 29 August 2006 and continues in office at the date of this Report.

Irene Lee, Philip Lewis and Michael Perry were appointed as Directors on 26 October 2006 and continue in office at the date of this Report.

Bill Ireland, Geoff Wilson, Julian Gosse and Andrew Brown were Directors from the beginning of the financial year until their resignation on 26 October 2006.

Principal Activities

During the year, the principal activity of the Group was investment in structured finance transactions. The Group's investments typically take the form of a debt and/or equity investment.

Prior to 26 October 2006, the Company was known as Mariner Wealth Management Limited and followed a strategy of investing in start-up funds management businesses as a listed Pooled Development Fund. Shareholders approved a number of resolutions on 26 October 2006 resulting in the Company adopting a strategy of investing in structured finance transactions and changing its name to Mariner Bridge Investments Limited. The Company ceased to be a Pooled Development Fund on 15 November 2006.

With the exception of the change in strategy adopted in October 2006 there have been no other significant changes in the nature of the activities of Mariner Bridge Investments Limited during the period to 30 June 2007.

Dividends – Mariner Bridge Investments Limited

Dividends paid to shareholders during the financial year were as follows:

Final ordinary dividend for the year ended 30 June 2006	Nil	Nil
Interim ordinary dividend for the year ended 30 June 2007	Nil	Nil
	Nil	Nil

Since the end of the financial year the Directors have recommended the payment of a final ordinary dividend of 2.3 cents per fully paid share to be paid on 14 September 2007 out of current year profits available to the Company at 30 June 2007.

The Company's dividend policy is to fully distribute approximately 100% of net profit after tax to shareholders. The Company is subject to the Australian corporate income tax rate of 30% and expects to generate franking credits to pay dividends that are franked (either partially or wholly).

Review of Operations and Results

Mariner Bridge Investments Limited is an investor in structured finance transactions, primarily in four target asset classes being property, infrastructure, fixed income and leasing. As at 30 June 2007, total investments were $264 million. The asset classes which comprised Mariner Bridge Investments Limited's portfolio as at 30 June 2007 are summarised in the following table:

Investments at 30 June	**2007 $m**
Property	36.4
Infrastructure	23.2
Fixed Income – Other	54.5
Fixed Income – US Securitisation	35.4
Leasing	114.4
	263.9

Mariner Bridge Investments Limited's portfolio of investments grew strongly during the year ended 30 June 2007, across each of its target asset classes. Notable investments made during the year included:

- In property, the Company invested in transactions involving in excess of nine separate residential, commercial or rural properties in Australia and the US.
- In infrastructure, the Company invested in a wind energy project in Europe and a water project in the US.
- In leasing, the Company acquired part interests in eight ships, 4 commercial aircraft and a portfolio of 20 leased aircraft. The Company also provided a secured corporate loan to an ASX listed entity to acquire a portfolio of second hand aircraft and aircraft parts and completed its first investment in a portfolio of small ticket equipment leasing transactions.
- In fixed income, the Company provided four senior secured loans to businesses in different industries, as well as one well secured subordinated loan.
- During the year, the Company invested in seven different US Securitisation programs. These investments have performed poorly and have been written down to a level which is 26% below the original face value. At 30 June 2007, the Company's investments in the US Securitisation market represented 13% of the Company's total portfolio. This percentage will reduce as the total investment portfolio grows over time. Refer Matters Subsequent to the end of the Financial Year.

It is a feature of Mariner Bridge Investments' operations that it maintains an investment portfolio that has a range of maturities typically from 6 months to 5 years which contributes to the ongoing availability of cashflow. In the year ending 30 June 2007, investments totalling $47 million were repaid.

Mariner Bridge Investment Limited's net profit for the year ended 30 June 2007 was $4.1 million. Basic and diluted earnings were 5.49 cents per share and 5.32 cents per share, respectively.

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A summary of the consolidated revenues and results of the Company for the year ended 30 June 2007 is set out below:

($ millions)	**2007**	**2006**
Investment & Interest Income[1]	15.8	0.6
Fees	1.8	-
Net Gain on embedded upsides	4.7	-
Impairment provision	(10.4)	-
Total Income	11.9	0.6
Operating Expenses	(4.7)	(0.8)
Earnings before Interest and Tax (EBIT)	7.2	(0.2)
Borrowing Costs	(1.8)	-
Profit before Tax	5.4	(0.2)
Income Tax Expense	(1.3)	-
Net Profit After Tax (NPAT)	4.1	(0.2)
Average Investment Balances	158.0	-
Effective Pre Tax Return on Average Investments (per annum, pre impairment provision)	21.3%	-
Average Borrowings	20.7	
Average Cost of Borrowing	7.43%	

[1] Includes equity accounted profits

Average investments in the year to 30 June 2007 were $158 million. The effective pre tax return on investments, on average across the portfolio excluding provision, was 21.3% pa.

The strong interest and fee income, coupled with the inclusion of embedded upsides in a number of the Group's investments has been partially offset by a provision of $10.4 million for potential loss of future earnings related to each of the seven US Securitisation investments.

Significant Changes in the State of Affairs

During the financial year ended 30 June 2007 shareholders approved the adoption of a new business strategy which commenced on 26 October 2006.

The Company has also announced its intention to seek shareholder approval to change the Company's name to Bridge Investments Group Limited. The Directors believe that the 'Bridge Investments Group Limited' name reflects a natural evolution of the Company's branding as it expands its business. The Directors also believe that a change in corporate name will reduce any confusion that may exist between the Company and its 14.2% shareholder, Mariner Financial Limited. The change in name will not change the activities of the Company.

Matters Subsequent to the end of the Financial Year

Mariner Bridge Investments Limited will continue to manage its investment in Fixed Income – US Securitisation investments. Concurrent with the release of the result, the Company announced that in response to anticipated flow-on impacts from recent actions by rating agencies the Company will further write-down the US Securitisation investments by approximately $5 million. The Company expects the additional provision will be offset by higher income from other investments, including the realisation of profits from the sale of investments.

No other matter or circumstance has arisen since 30 June 2007 that has significantly affected, or may significantly affect the:

a) Consolidated entity's operations in future financial years,
b) Results of those operations in future financial years, or
c) Consolidated entity's state of affairs in future financial years.

Environmental Regulation

The operations of the consolidated entity are not subject to any particular or significant environmental regulation under Commonwealth, State or Territory Law.

Information on Directors

IRENE LEE, BA, Smith College, Massachusetts, US; Barrister-at-Law, Honourable Society of Gray's Inn, London

EXPERIENCE AN D EXPERTISE
Irene Lee has an extensive background in the finance industry. Over the past 20 years she has held senior positions in investment banking and funds management in the UK, the US and Australia. Previously, Irene was an executive director of Citicorp Investment Bank, Head of Corporate Finance at Commonwealth Bank of Australia and CEO of Sealcorp Holdings Limited.

OTHER CURRENT DIRECTORSHIPS
QBE Insurance Group Limited
Ten Network Holdings Limited
ING Bank (Australia) Limited

FORMER DIRECTORSHIPS IN LAST THREE YEARS
Mariner Financial Limited
Record Investments Limited
Record Funds Management Limited
Beyond International Limited
BioTech Capital Limited

SPECIAL RESPONSIBILITI ES
Executive Chairman of Mariner Bridge Investments Limited since 26 October 2006

INTERESTS IN SHARES AND OPTIONS
1,642,467 Direct
1,000,000 Indirect

MARK PHILLIPS, BComm (Honours), MComm, University of New South Wales

EXPERIENCE AN D EXPERTISE
Mark Phillips has 25 years experience in financial markets with expertise in building and managing portfolios of loans, investments and tradeable instruments and developing new businesses.

OTHER CURRENT DIRECTORSHIPS
Nil

FORMER DIRECTORSHIPS IN LAST THREE YEARS
Mariner Financial Limited
Record Investments Limited
Record Funds Management Limited

SPECIAL RESPONSIBILITI ES
Managing Director of Mariner Bridge Investments Limited since 29 August 2006.

INTERESTS IN SHARES AND OPTIONS
3,000,000 Direct
390,000 Indirect

IAN INGRAM, BA, University of New South Wales; BSc (Econ) (Honours), University of London; Barrister-at-Law, Honourable Society of Lincoln's Inn, London

EXPERIENCE AN D EXPERTISE
Ian Ingram is an investment banker with over 25 years experience in international financial markets.

OTHER CURRENT DIRECTORSHIPS
Beyond International Limited
Mariner Financial Limited

FORMER DIRECTORSHIPS IN LAST THREE YEARS
Mariner Retirement Solutions

SPECIAL RESPONSIBILITI ES
Member of Nominations Committee
Member of Audit, Finance and Risk Committee
Member Remuneration Committee

INTERESTS IN SHARES AND OPTIONS
200,000 Direct

PHILIP LEWIS, BEc, LLB, Sydney University

EXPERIENCE AN D EXPERTISE
Philip Lewis has over 25 years experience in law and investment banking. Philip practised law for seven years before undertaking a 17 year career in investment banking at Credit Suisse Group and its predecessor organisations.

OTHER CURRENT DIRECTORSHIPS
Reedy Lagoon Corporation Ltd

FORMER DIRECTORSHIPS IN LAST THREE YEARS
Nil

SPECIAL RESPONSIBILITI ES
Chairman Remuneration Committee
Member Nominations Committee
Member Audit, Finance and Risk Committee

INTERESTS IN SHARES AND OPTIONS
328,572 Direct
185,715 Indirect

MICHAEL PERRY, BComm, University of New South Wales

EXPERIENCE AN D EXPERTISE
Michael Perry has 30 years experience in merchant banking, primarily project financing infrastructure projects in Australia, South East Asia and the UK.

OTHER CURRENT DIRECTORSHIPS
Nil

FORMER DIRECTORSHIPS IN LAST THREE YEARS
Record Investments Limited
Development Australia Fund

SPECIAL RESPONSIBILITI ES
Chairman Audit, Finance and Risk Committee
Member Nominations Committee
Member Remuneration Committee

INTERESTS IN SHARES AND OPTIONS
200,000 Direct
285,715 Indirect

Company Secretary

The Company Secretary is Karen McGregor, who was appointed to the position on 10 November 2006. Karen also holds the position of Chief Financial Officer. Before joining Mariner Bridge Investments Limited in 2006, Karen worked with Commonwealth Bank of Australia for 10 years and has worked with Leighton Holdings Limited and HongkongBank of Australia Limited.

Meetings of Directors

In addition to scheduled meetings of the Board, the Company has an Audit, Finance and Risk Committee, Remuneration Committee and Nominations Committee. The numbers of meetings of the Board of Directors and of each Committee held during the year ended 30 June 2006, and the numbers of meetings attended by each Director were:

Board	Number of Meetings Attended	Number of Meetings Held During the Time the Directors Held Office During the Financial Year
Irene Lee – Chairman**	23	23
Mark Phillips	24	24
Ian Ingram	21	25
Philip Lewis	23	23
Michael Perry	21	23
Bill Ireland*	2	2
Andrew Brown	1	2
Julian Gosse	1	2
Geoff Wilson	1	2

(**) appointed as Chairman 26 October 2006
(*) resigned as Chairman 26 October 2006

Audit, Finance and Risk Committee	Number of Meetings Attended	Number of Meetings Held During the Time the Directors Held Office During the Financial Year
Michael Perry – Chair*	5	5
Ian Ingram	5	5
Philip Lewis	5	5

(*) appointed as Chairman 27 October 2006

Remuneration Committee	Number of Meetings Attended	Number of Meetings Held During the Time the Directors Held Office During the Financial Year
Philip Lewis – Chairman*	1	1
Ian Ingram	1	1
Michael Perry	1	1

(*) appointed as Chairman 27 October 2007

Nominations Committee

The Nominations Committee did not meet during the year.

Remuneration Report

Details of Mariner Bridge Investments Limited's remuneration policies and the remuneration of Directors and executives of the Company are contained in the Remuneration Report.

The Remuneration Report is included as part of the Directors' Report.

Non-Audit Services

The Company may decide to employ its auditor (KPMG) on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit, Finance and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001*.

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

During the year to 30 June 2007 the following fees were paid to the auditor of the parent entity, its related practices and non related audit firms:

	Consolidated	
	2007 $	2006 $
Audit services		
KPMG		
– audit and review of financial reports	106,000	18,553
– tax services	42,918	6,300
– other non audit services	68,182	-
	217,100	24,853

The Company engaged KPMG to provide due diligence services in relation to the Company's equity raising in May 2007. These fees are included in the table above.

This report is made in accordance with a resolution of directors.

Irene Lee
Executive Chairman

Sydney, 8 August 2007

Remuneration Report

Principles used to determine the Nature and Amount of Remuneration – Audited

The policies described below have been applied for the financial year ending 30 June 2007.

The Group's remuneration policies are designed to align the remuneration of the key management team with the interests of the shareholders by including performance-related bonuses and participation in the Director and Employee Share Plan.

The Remuneration Committee, consisting of Non-Executive Directors, advises the Board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for all key management personnel.

Remuneration and other terms of employment for the key management team are reviewed annually by the Remuneration Committee, having regard to the performance goals set at the start of the year, results of the annual appraisal process and relevant comparative information on market compensation levels. As well as a base salary, remuneration packages include superannuation, termination entitlements, performance-related bonuses and fringe benefits. Directors and management are eligible to participate in the Mariner Bridge Investments Limited Director and Employee Share Plan (the "Share Scheme").

Remuneration packages are set at levels that are intended to attract and retain a management team capable of managing the Group's operations and achieving the Company's strategic objectives. The Board undertakes an annual review of its performance and that of the Board committees.

Remuneration and other terms of employment for the key management team are formalised in service agreements.

(A) Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT charges related to non-financial employee benefits) as well as employer contributions to superannuation funds.

(B) Performance Linked Remuneration

Performance linked remuneration is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. At the end of each financial year the Remuneration Committee will review and approve, on the recommendation of the Managing Director, the total remuneration of the key management team. The Remuneration Committee will recommend to the Board for approval each Executive Director's total remuneration.

(C) Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by shareholders from time to time. At a General Meeting held on 26 October 2006, a shareholder resolution was passed approving an increase in total fees payable to Directors (other than the Managing Director) from $200,000 to $350,000 per annum.

Payments to Directors include compulsory superannuation entitlements. In addition to fees, Directors may participate in the Share Scheme.

Performance-related bonuses are not payable to Non-Executive Directors.

(D) Executive Remuneration from 1 July 2006

The Company's approach to remuneration is designed to align staff and shareholder interests as well as to optimise short and long term shareholder returns.

The remuneration policy has three components:

- Base or fixed remuneration
- Short term, annual incentive or performance aligned pay (STI)
- Long term equity-based incentives (LTI)

The Company's remuneration framework is aimed at containing total remuneration cost (of the above three components) whilst appropriately rewarding executives for superior levels of financial performance against the Company's overall objectives and goals.

Base Remuneration
Base or fixed remuneration takes into consideration the individual's role and market conditions.

STI
Key management participate in a general bonus scheme and their STI is calculated as a percentage of their base remuneration. The actual amount of STI paid to these executives for the year to 30 June 2007 reflect outcomes against the Company's overall objectives and goals for period from 26 October 2006 to 30 June 2007.

LTI
The Company uses LTI, in the form of the issue of shares under the Share Scheme, as a mechanism to further align the long term interests of executives with shareholders and to facilitate the retention of key executives. On 26 October 2006 the Company's Shareholders approved the allocation of up to 5,600,000 shares to Directors and Employees under the Share Scheme. On 17 June 2007, the Board approved the allocation of an additional 300,000 shares under the Share Scheme. The Company's Board will determine the maximum amount of equity under the programme to be issued at the start of each financial year and the majority of this will be allocated to individual executives broadly in line with their past contribution and potential. LTI allocations can also be made to Directors, subject to shareholder approval first being obtained.

The LTI equity will vest progressively over a three year period

(E) Details of Remuneration

Details of the remuneration of each Director of the Company and the named Key Management executives are set out in the following tables. The cash bonus is dependent on the satisfaction of performance conditions as set out in section (B) Performance linked remuneration above. All other elements of remuneration are not directly related to performance.

Aggregate Key Management Personnel Compensation by Category

	SHORT-TERM		POST-EMPLOYMENT	SHARE-BASED PAYMENTS			
	Cash Salary and fees $	Cash bonus $	Superannuation $	Value of shares granted $	Termination benefits $	Vehicle $	Total $
2007	973,515	328,000	79,495	476,102	-	-	1,857,112
2006	298,695	-	20,132	-	-	-	318,827

Non-Executive Directors of Mariner Bridge Investments Limited

	SHORT-TERM			POST EMPLOYMENT	SHARE-BASED PAYMENTS			
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Value of shares granted $	Termination Benefits $	Other long-term $	Total $
2007								
Ian Ingram	45,894	-	-	-	16,445	-	-	62,339
Philip Lewis	40,000	-	-	3,600	38,880	-	-	82,480
Michael Perry	40,000	-	-	3,600	38,880	-	-	82,480
Geoff Wilson*	8,333	–	–	187	-	-	-	8,520
Julian Gosse*	8,173	-	-	-	-	-	-	8,173
Andrew Brown*	8,333	-	-	-	-	-	-	8,333
2006								
Geoff Wilson	22,936	-	-	2,064	-	-	-	25,000
Matthew Kidman**	6,938	-	-	624	-	-	-	7,562
Julian Gosse	25,000	-	-	-	-	-	-	25,000
Andrew Brown	25,000	-	-	-	-	-	-	25,000
Ian Ingram	22,936	-	-	2,064	-	-	-	25,000

* Resigned 26 October 2006
**Resigned on 15 November 2005

Executive Directors and Key Management of Mariner Bridge Investments Limited

	SHORT-TERM			POST EMPLOYMENT	SHARE-BASED PAYMENTS			
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Value of shares granted $	Termination benefits $	Other long-term $	Total $
2007								
Irene Lee	79,999	-	-	7,200	82,223	-	-	169,422
Mark Phillips	358,042	-	-	35,708	185,260	-	-	579,010
Bill Ireland**	8,333	-	-	-	-	-	-	8,333
Karen McGregor	197,333	152,000	-	16,514	30,745	-	-	396,592
Ian Pike	179,075	176,000	-	12,686	83,669	-	-	451,430
2006								
Bill Ireland	25,000	-	-	-	-	-	-	25,000
Martin Baker*	170,885	-	-	15,380	-	-	-	186,265

*resigned 3 March 2006
**resigned 26 October 2006

Service Agreements

Remuneration and other terms of employment for all key management personnel are formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses and participation, when eligible, in the Share Scheme. Other major provisions of the agreements relating to remuneration are set out below.

MARK PHILLIPS
MANAGING DIRECTOR

- Term of agreement – commencing 1 November 2006, with an option to terminate with three months notice after a term of three years
- Base annualised salary, inclusive of superannuation, for period to 30 June 2007 of $393,750 to be reviewed annually by the Remuneration Committee
- Annual bonus to be established at the discretion of the Remuneration Committee, based on the performance appraisal process described above
- Payment of termination benefit is at the discretion of the Remuneration Committee

KAREN McGREGOR
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

- Term of agreement – commencing 16 October 2006, with no fixed term
- Base annualised salary, inclusive of superannuation, for period to 30 June 2007 of $213,847 to be reviewed annually by the Remuneration Committee
- Annual bonus to be established at the discretion of the Remuneration Committee, based on the performance appraisal process described above
- Payment of termination benefit is at the discretion of the Remuneration Committee

IAN PIKE
CHIEF INVESTMENT OFFICER

- Term of agreement – commencing 11 December 2006, with no fixed term
- Base salary, inclusive of superannuation, for the year ended 30 June 2007 of $191,761 to be reviewed annually by the Remuneration Committee
- Annual bonus to be established at the discretion of the Remuneration Committee based on the performance appraisal process described above
- Payment of termination benefit is at the discretion of the Remuneration Committee

No key management personnel resigned during the period.

Indemnities and Insurance

In addition to the amounts disclosed for remuneration of Directors and Key Management, Mariner Bridge Investments Limited pays a premium each year in respect of a contract insuring directors, secretaries, senior managers and employees of the entity. In accordance with normal commercial practice, disclosure of the premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Mariner Bridge Investments Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2007 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrew Dickinson
Partner
Sydney
8 August 2007

Mariner Bridge Investments Limited and Controlled Entities
(formerly Mariner Wealth Management Limited)
Income Statements

For the year ended 30 June 2007

	Notes	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Revenue and income					
Fees		1,836	-	1,657	-
Interest income	5	14,681	520	13,785	520
Dividend income		14	29	1,706	29
Gain on sale of trading assets		-	15	-	15
Unrealised gain on embedded derivatives designated at fair value through profit or loss		4,659	-	4,533	-
Impairment expenses	9, 11	(10,420)	-	(10,420)	-
Net gain from foreign currency translations		983	-	22	-
Share of profit in equity accounted investees	13	126	-	-	-
Net gain/(loss) on sale of available for sale investments		(54)	33	(54)	33
Other income		104	-	-	-
		11,929	597	11,229	597
Expenses					
Administration expenses		(549)	-	(526)	-
Borrowing costs		(1,807)	-	(1,808)	-
Employment costs		(3,338)	(345)	(3,338)	(345)
Legal and professional fees		(386)	(305)	(387)	(305)
Other expenses		(402)	(103)	(402)	(103)
		(6,482)	(753)	(6,461)	(753)
Profit/(loss) before income tax		5,447	(156)	4,768	(156)
Income tax expense	6 (a)	(1,353)	(1)	(790)	(1)
Net profit/(loss) for the year		4,094	(157)	3,978	(157)
Basic earnings / (loss) cents per share	18	5.49	(0.43)		
Diluted earnings / (loss) cents per share	18	5.32	(0.43)		

The income statements are to be read in conjunction with the notes to the financial statements

Mariner Bridge Investments Limited and Controlled Entities
(formerly Mariner Wealth Management Limited)
Balance Sheets

As at 30 June 2007

	Notes	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Current assets					
Cash and cash equivalents	7 (a)	8,436	7,168	8,436	7,168
Trade and other receivables	8	1,581	90	1,581	90
Trading assets		-	56	-	56
Available for sale investments		-	666	-	666
Loans and receivables (net	9	20,712	-	17,000	-
Other assets		485	2	485	2
Current tax assets	6 (a)	-	2	-	2
Total current assets		31,214	7,984	27,502	7,984
Non current assets					
Held to maturity investmen	10	865	865	865	865
Available for sale investments (net	11	13,219	-	13,219	-
Loans and receivables (net	9	174,153	-	177,818	-
Derivative assets	12	8,333	-	7,760	-
Deferred tax assets	6 (d)	6,286	-	6,311	-
Property plant & equipment		18	-	18	-
Investment in associate	13	46,584	200	46,457	200
Other assets		-	-	1	-
Total non current assets		249,458	1,065	252,449	1,065
Total assets		280,672	9,049	279,951	9,049
Current liabilities					
Payables	14	1,796	147	1,729	147
Current tax liabilities	6 (a)	5,375	-	4,836	-
Provisions		75	-	75	-
Total current liabilities		7,246	147	6,640	147
Non current liabilities					
Loans and borrowings	15	10,500	-	10,500	-
Total non current liabilities		10,500	-	10,500	-
Total liabilities		17,746	147	17,140	147
Net assets		262,926	8,902	262,811	8,902
Equity					
Share capital	16	258,697	9,110	258,697	9,110
Retained earnings/(loss		3,871	(686)	3,756	(686)
Reserves	17	358	478	358	478
Total equity		262,926	8,902	262,811	8,902

The balance sheets are to be read in conjunction with the notes to the financial statements

Mariner Bridge Investments Limited and Controlled Entities
(formerly Mariner Wealth Management Limited)
Statements of Changes in Equity

For the year ended 30 June 2007

	Note	Share capital	Available for sale investments reserve	Share based payment reserve	Hedging reserve	Capital profits reserve	Retained earnings/ (losses)	Total
2007		$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Company and its consolidated entities								
Balance at 1 July 2006		9,110	16	-	-	462	(686)	8,903
Total profit for the year		-	-	-	-	-	4,094	4,094
Movement from reserves		-	(16)	-	-	(462)	462	(16)
Shares issued	16	255,005	-	-	-	-	-	255,005
Offer related costs	16	(5,418)	-	-	-	-	-	(5,418)
Share based payments	17	-	-	226	-	-	-	226
Cash flow hedges, net of tax	17	-	-	-	132	-	-	132
Balance at 30 June 2007		258,697	-	226	132	-	3,871	262,926
The Company								
Balance at 1 July 2006		9,110	16	-	-	462	(686)	8,904
Total profit for the year		-	-	-	-	-	3,978	3,978
Movement from reserves		-	(16)	-	-	(462)	462	(16)
Shares issued	16	255,005	-	-	-	-	-	255,005
Offer related costs	16	(5,418)	-	-	-	-	-	(5,418)
Share based payments	17	-	-	226	-	-	-	226
Cash flow hedges, net of tax	17	-	-	-	132	-	-	132
Balance at 30 June 2007		258,697	-	226	132	-	3,756	262,811
2006								
The Company and its consolidated entities								
Balance at 1 July 2005		8,908	-	-	-	462	(529)	8,841
Total losses for the year		-	-	-	-	-	(157)	(157)
Movement from reserves		-	16	-	-	-	-	16
Shares issued	16	202	-	-	-	-	-	202
Balance at 30 June 2006		9,110	16	-	-	463	(686)	8,902
The Company								
Balance at 1 July 2005		8,908	-	-	-	462	(529)	8,841
Total losses for the year		-	-	-	-	-	(157)	(157)
Movement from reserves		-	16	-	-	-	-	16
Shares issued	16	202	-	-	-	-	-	202
Balance at 30 June 2006		9,110	16	-	-	463	(686)	8,902

The Statements of Changes in Equity are to be read in conjunction with the notes to the financial statements

Mariner Bridge Investments Limited and Controlled Entities
(formerly Mariner Wealth Management Limited)
Consolidated Statements of Cash Flows

For the year ended 30 June 2007

	Notes	Consolidated 2007	Consolidated 2006	The Company 2007	The Company 2006
		$'000	$'000	$'000	$'000
Cash flows from operating activities					
Fees received		2,112	-	1,949	-
Interest received		18,249	491	15,639	491
Payments to suppliers and employees		(3,787)	(704)	(3,764)	(704)
Establishment fee on loan facility		(558)	-	(558)	-
Interest payment on loan facility		(1,497)	-	(1,497)	-
Net income tax refund received (tax paid		2	(3)	2	(3)
Net cash from operating activities	7 (b)	14,521	(216)	11,771	(216)
			-		
Cash flows from investing activities			-		
Dividends received		14	29	14	29
Trust distribution received		-	-	1,692	-
Purchase of property, plant & equipment		(21)	-	(21)	-
Payment for investments in US securitisations		(48,294)	-	(48,294)	-
Payment for other investments		-	(865)	-	(865)
Loans and receivables advanced net of FX hedging gains and sale or repayment of investments		(176,575)	-	(142,792)	-
Loans advanced to related parties		-	-	(32,723)	-
Proceeds from sale of trading assets		-	57	-	57
Proceeds from sale of available for sale investment		388	319	386	319
Payment for investments in associates		(46,967)	(200)	(46,967)	(200)
Net cash from investing activities		(271,455)	(660)	(268,705)	(660)
			-		
Cash flows from financing activities			-		
Proceeds from exercise of options		-	202	-	202
Proceeds from the issue of ordinary share capital		255,232	-	255,232	-
Proceeds from borrowings		10,500	-	10,500	-
Payments for issue costs		(7,530)	-	(7,530)	-
Net cash from financing activities		258,202	202	258,202	202
			-		
Net increase/(decrease) in cash and cash equivalents		1,268	(674)	1,268	(674)
Cash and cash equivalents at the beginning of the year		7,168	7,842	7,168	7,842
			-		
Cash and cash equivalents at the end of the year	7 (a)	8,436	7,168	8,436	7,168

The Cash Flow Statements are to be read in conjunction with the notes to the financial statements

1. Reporting entity

Mariner Bridge Investments Limited (the Company) is a company domiciled in Australia. The consolidated financial report of the Company as at and for the year ended 30 June 2007 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2007 is available upon request from the Company's registered office at Level 40, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 or at www.marinerbridge.com.au.

2. Basis of preparation

(a) Statement of compliance
The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the Group also complies with the IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the Board of Directors on 8 August 2007.

(b) Basis of measurement
The consolidated financial statements have been prepared on the historical cost basis except for the following which are measured at fair value:

- derivative financial instruments through profit and loss
- loans and receivables through profit and loss
- available-for-sale financial assets

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency
These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency and the functional currency of the majority of the Group.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 10 – Loans and receivables
- Note 11 – Available for sale investments
- Note 24 – Financial assets and liabilities

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the Group entities. Certain comparative amounts have been reclassified to conform to the current year's presentation detailed in note 25.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's financial statements, investments in subsidiaries are carried at cost.

(ii) Associates and joint ventures (equity accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and joint ventures, including partnerships but excluding investments in venture capital organisation, are accounted for using the equity method (equity accounted investees).

The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

In the Company's financial statements, investments in joint venture entities are carried at cost.

(iii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Gains and losses are recognised when the contributed assets are consumed or sold by the equity accounted investees or, if not consumed or sold by the equity accounted investee, when the Group's interest in such entities is disposed of.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and

3. Significant accounting policies (continued)
(b) Foreign currency (continued)
(i) Foreign current transactions (continued)

liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial liability designated as a hedge of the net investment in a foreign operation.

(ii) Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised directly in equity as foreign currency translation reserve.

(c) Financial instruments

(i) Non-derivative financial instruments
Non-derivative financial instruments comprise investments in equity and debt securities, loans and receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note 3(g).

Held-to-maturity investments
If the Group has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets
Available-for-sale financial assets, subsequent to initial recognition are measured at fair value and changes therein, other than impairment losses and foreign exchange gains and losses on available-for-sale monetary items are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

3. Significant accounting policies (continued)

(c) Financial instruments (continued)

(i) Non-derivative financial instruments (continued)

Financial assets at fair value through profit or loss
Investments in venture capital organisation upon initial recognition, are designated as at fair value through profit or loss with changes in fair value recognised in profit or loss in the period of change.

Loans and receivables
Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. The collectibility of debts is assessed at reporting date and where required specific provision is made for any doubtful debts.

Other financial liabilities
Other financial liabilities comprise loans, borrowings and other payables being measured at amortised cost using the effective interest method.

(ii) Derivative financial instruments
The Group holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges
Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedge
Changes in fair value of derivative hedging instrument are recognised in profit or loss and the gain or loss on the hedged item attributable to the hedged risk shall adjust the carrying amount of the hedged item and be recognised in profit or loss.

Separable embedded derivatives
Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

(iii) Share capital
Ordinary shares
Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

3. Significant accounting policies (continued)
(c) Financial instruments (continued)
(iii) Share capital (continued)

Dividends
Dividends are recognised as a liability in the period in which they are declared.

(d) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(e) Employee benefits

(i) Defined contribution superannuation funds
Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Short-term benefits
Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iii) Long service leave
A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

3. Significant accounting policies (continued)
(e) Employee benefits (continued)

(iv) Share-based payment transactions
The fair value of options granted to employees in relation to the employee share scheme is recognised as an employee expense, with a corresponding increase in equity, over the period in which the shares vest.

(f) Fees

Fee revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date.

(g) Finance income and expenses

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains, and gains on hedging instruments that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date. Dividend revenue is recognised net of any franking credits.

Finance expenses comprise interest expense on borrowings, foreign currency losses, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

(h) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Effective, 1 July 2006 the entity is taxed at the ordinary company tax rate of 30%.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3. Significant accounting policies (continued)
(h) Income tax (continued)

Tax consolidation
The Company is head entity of the tax consolidated group comprising all the Australian wholly owned subsidiaries. The entities entered into a tax sharing and funding agreement effective 27 October 2006.

Under the terms of this agreement current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax consolidated group and are recognised as amounts payable/(receivable) to/(from) other entities in the tax consolidated group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by the Head entity and members as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements
The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivables (payables) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The contribution amount arising under the tax funding arrangement is charged to the Company through the intercompany account.

(i) Goods and services tax
Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

3. Significant accounting policies (continued)

(j) Earnings per share

Basic earnings per share
Basic earnings per share is determined by dividing the net profit/(loss) after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares

(k) Segment reporting
Segment information is presented in respect of the Group's business segments. The primary format and business segments are based on the Group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment.

(i) Business segments
The Group comprises the following main business segments:
- Property
- Infrastructure
- Fixed income – US Securitisations
- Fixed income – Other
- Leasing
- Other

(ii) Geographical segments
The group has investments located in 4 geographic regions:
- Australia
- United States
- Europe
- Asia

(l) New standards and interpretations not yet adopted
The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2007, but have not been applied in preparing this financial report:

- AASB 7 *Financial Instruments: Disclosures* (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Group's financial instruments and share capital.
- AASB 2005-10 Amendments to Australian Accounting Standards (September 2005) makes consequential amendments to AASB 132 Financial Instruments: Disclosure and Presentation, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 117 *Leases*, AASB 133 *Earnings Per Share*, AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* arising from the release of AASB 7. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to only impact disclosures contained within the consolidated financial report.

3. Significant accounting policies (continued)
(l) New standards and interpretations not yet adopted (continued)

- AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 makes amendments to AASB 107 *Cash Flow Statements*, AASB 119 *Employee Benefits*, AASB 127 *Consolidated and Separate Financial Statements*, AASB 134 *Interim Financial Reporting*, AASB 136 *Impairment Assets*. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 *Operating Segments*. This standard is only expected to impact disclosures contained within the financial report.
- Interpretation 10 *Interim Financial Reporting and Impairment* prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. Interpretation 10 will become mandatory for the Group's 2008 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that the Group first applied the measurement criteria of AASB 136 and AASB 139 respectively (i.e., 1 July 2004 and 1 July 2005, respectively).
- AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 makes amendments to AASB 117 *Leases*, AASB 118 *Revenue*, AASB 121 *The Effects of Changes in Foreign Exchange Rates*, AASB 127 *Consolidated and Separate Financial Statement*, AASB 131 *Interest in Joint Ventures*, and AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 2007- 2 is applicable for annual reporting periods beginning on or after 1 January 2008.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value for financial assets. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) *Investments in Fixed Income – US Securitisations*
Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the appropriate rate of interest.

(ii) *Derivatives*
The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate.

(iii) *Share-based payment transactions*
The fair value of employee share options is measured using the Black-Scholes formula.

Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

		Consolidated		The Company	
5	**Interest income**	**2007 $'000**	**2006 $'000**	**2007 $'000**	**2006 $'000**
	Interest income on current held-to-maturity investments	89	316	89	316
	Interest income on investments in fixed income	3,551	-	3,551	-
	Interest income on bank deposits	881	204	877	204
	Interest on loans and advances - third parties	10,160	-	8,222	-
	Interest on loans and advances - related parties	-	-	1,046	-
		14,681	520	13,785	520

6 **Income tax expense**

		Consolidated		The Company	
6 (a)	**Recognised in the income statement**	**2007 $'000**	**2006 $'000**	**2007 $'000**	**2006 $'000**
	Current tax expense (refund)				
	Current period				
		(5,375)	2	(4,836)	2
		(5,375)	2	(4,836)	2
	Deferred tax income				
	Offer costs	(464)	-	(464)	-
	Provision for impairment	3,126	-	3,126	-
	Deferred income	626	-	601	-
	Unrealised FX gains and losses	2,049	-	2,060	-
	Fair value of embedded derivative assets	(1,436)	-	(1,398)	-
	Other	121	(3)	121	(3)
		4,022	(3)	4,046	(3)
	Total income tax expense	(1,353)	(1)	(790)	(1)

6 Income tax expense (continued)

6 (b) Reconciliation between tax-expense and pre-tax net profit	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Profit for the period	4,094	(157)	3,979	(157)
Total income tax expense	(1,353)	(1)	(790)	(1)
Profit excluding income tax	5,447	(156)	4,769	(156)
Prima facie income tax calculated at 30% (2006: 25% and 15% on non-pooled and pooled development fund activities respectively) on the profit on ordinary activities	(1,634)	(29)	(1,431)	(29)
Non-deductible expenses	(2)	-	-	-
Related party transactions	-	-	807	-
Tax exempt income	449	-	-	-
Franking credits received	(2)	-	(2)	-
Other permanent differences	(164)	28	(164)	28
	(1,353)	(1)	(790)	(1)

6 (c) Income tax recognised directly in equity	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Gain on cash flow hedging instruments	(57)	-	(57)	-
Offer costs	2,322	-	2,322	-
	2,265	-	2,265	-

6 (d) Recognised deferred tax assets and (liabilities)	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Legal fees from restructure	(1)	-	-	-
Offer costs	1,858	-	1,858	-
Provision for impairment	3,126	-	3,126	-
Deferred income	626	-	601	-
Net unrealised foreign exchange gains and losses	2,049	-	2,060	-
Fair value of embedded derivative assets	(1,436)	-	(1,398)	-
Employee expenses	33	-	33	-
Accrued fee expense	20	-	20	-
Employee share plan	68	-	68	-
Cash flow hedge	(57)	-	(57)	-
	6,286	-	6,311	-

		Consolidated		The Company	
7 (a)	**Cash and cash equivalents**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
	Cash at Bank	8,380	168	8,380	168
	Term deposits	-	7,000	-	7,000
	11am deposits	56	-	56	-
		8,436	7,168	8,436	7,168

The weighted average interest rate for cash as at 30 June 2007 is 6.20% pa (2006: 5.97% pa).

		Consolidated		The Company	
7 (b)	**Reconciliation of cash flow from operating activities**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
	Cash flows from operating activities				
	Profit/(loss) for the period	4,094	(157)	3,978	(157)
	Adjustments for:				
	Depreciation	3	-	3	-
	Non-cash adjustment - interest accrued	(4,371)	-	(6,727)	-
	Non-cash adjustment - net of fees received and accrued	253	-	268	-
	Non-cash adjustment - embedded derivative income	(4,659)	-	(4,532)	-
	Non-cash adjustment - tax expense	1,353	-	790	-
	Non-cash adjustment - employee and other expenses	1,533	-	1,533	-
	Non-cash adjustment - impairment expenses	10,420	-	10,420	-
	Non-cash loss on fair value of financial instruments	7,501	89	7,517	89
	Non-cash joint venture profit share	(126)	-	-	-
	Cash adjustment - establishment fees on loan facility	(483)	-	(483)	-
	Realised (gain)/loss on sale of investment	(596)	(137)	(596)	(137)
	Dividends	(14)	(29)	(14)	(29)
	Operating profit before changes in working capital and provisions	14,908	(234)	12,157	(234)
	Increase/(decrease) in payables	(126)	101	(126)	101
	(Increase) in trade and other receivables	(266)	(79)	(266)	(79)
		14,516	(212)	11,765	(212)
	Interest paid	3	(1)	4	(1)
	Income taxes paid	2	(3)	2	(3)
	Net cash from operating activities	14,521	(216)	11,771	(216)

		Consolidated		The Company	
8	**Trade & other receivables**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
	Interest receivables from loans	679	-	679	-
	Interest receivables from investments	23	-	23	-
	Funding fees receivables from loans	24	-	24	-
	Receivable from sale of investment	552	-	552	-
	Other receivables	303	90	303	90
		1,581	90	1,581	90

		Consolidated		The Company	
9	**Loans and receivables**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
	Loans and receivables	200,581	-	200,452	-
	Deferred income	(2,086)	-	(2,004)	-
	Less: allowance for impairment expenses	(3,630)	-	(3,630)	-
		194,865	-	194,818	-
	Current assets				
	Property	20,712	-	17,000	-
	Less: allowance for impairment expenses	-	-	-	-
		20,712	-	17,000	-
	Non current assets				
	Loans to related parties	-	-	33,769	-
	Property	15,462	-	-	-
	Infrastructure	5,000	-	5,000	-
	Fixed income - US Securitisation	25,078	-	25,078	-
	Fixed income - Other	53,779	-	53,779	-
	Leasing	80,550	-	65,826	-
	Less: allowance for impairment expenses	(3,630)	-	(3,630)	-
		176,239	-	179,822	-
	Allowance for impairment				
	Opening balance	-	-	-	-
	Impairment loss for the year	(3,630)	-	(3,630)	-
	Balance at 30 June 2007	(3,630)	-	(3,630)	-

		Consolidated		The Company	
10	**Held to maturity investment**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
	Non current asset				
	Held to maturity investment	865	865	865	865

Held to maturity investment consists of an investment in Mariner Floating Rate Notes being an unsecured note issued by Mariner Treasury Ltd with coupon payments at quarterly intervals. The coupon rate applied is based on the Bank Bill Swap rate plus 4.0%

		Consolidated		The Company	
11	**Available for sale investments**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
	Investment in US Securitisations	20,009	-	20,009	-
	Less: allowance for impairment expenses	(6,790)	-	(6,790)	-
		13,219	-	13,219	-
	Allowance for impairment				
	Opening balance	-	-	-	-
	Impairment loss for the year	(6,790)	-	(6,790)	-
	Balance at 30 June 2007	(6,790)	-	(6,790)	-

12 Derivative assets

Consolidated

Type of Contract	Expiration	Underlying	Notional value of contracts outstanding	Fair value of contracts (assets)
			$'000	$'000
30 June 2007				
Hedging instruments				
Forwards	July to September 2007	Foreign currency (Euro)	10,290	121
Forwards	July to September 2007	Foreign currency ($US)	62,086	513
Forwards	October 2007 to January 2013	Foreign currency ($US)	119,775	3,040
			192,151	3,674
Embedded derivatives *	n/a	n/a	n/a	4,659
Total derivative assets				8,333

Company

Type of Contract	Expiration	Underlying	Notional value of contracts outstanding	Fair value of contracts (assets)
			$'000	$'000
30 June 2007				
Forwards	July to September 2007	Foreign currency (Euro)	10,290	122
Forwards	July to September 2007	Foreign currency ($US)	48,949	311
Forwards	October 2007 to January 2013	Foreign currency ($US)	104,479	2,668
			163,718	3,101
Embedded derivatives *	n/a	n/a	n/a	4,659
Total derivative assets				7,760

* The Company earns equity style success fees which are classified as embedded derivatives. These derivatives are included in unrealised gain on embedded derivatives designated at fair value through profit and loss and had a fair value of $4.659m in the income statement at year end.

13 Investment equity accounted investee

Summary financial information for equity accounted investees, adjusted for the percentage ownership held by the Group:

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Investment shares and convertible notes in associates	-	200	-	200
Bridge Infrastructure Capital Pty Limited #	-	-	-	-
Profit on joint venture in BIC equity accounted	126	-	-	-
	126	200	-	200
Additional investment in BIC made by way of loans	46,458	-	46,457	-
	46,584	200	46,457	200

Share in capital of less than $52 is rounded down to zero.

2007	Assets	Liabilities	Net Assets	Revenues	Expenses	Net Profit	Profit share
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Bridge Infrastructure Capital Pty Ltd joint venture	154,146	(153,867)	279	7,339	(7,086)	253	126
	154,146	(153,867)	279	7,339	(7,086)	253	126

14 Payables

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Loan facility interest expense	4	-	4	-
Employment related expenditure	1,447	64	1,448	64
Professional fees payables	106	10	106	10
Other fees payables	217	2	149	2
Trade creditors	22	71	22	71
	1,796	147	1,729	147

15 Loans and borrowings

Consists of a loan facility arrangement between the Company and the Commonwealth Bank of Australia, St.George Limited and Bank of Western Australia Limited. Total facility available is $130,000,000 (2006 nil) with $10,500,000 drawn down as at 30 June 2007.

		Consolidated		The Company	
16	**Contributed equity**	**2007**	**2006**	**2007**	**2006**
		$'000	**$'000**	**$'000**	**$'000**
16 (a)	**Issued and Paid-up Capital**				
	169,848,654 (30 June 2006: 36,924,398) ordinary shares fully paid	258,697	9,110	258,697	9,110

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

16 (b) Movement in ordinary share capital

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Opening balance 1 July	9,110	8,908	9,110	8,908
Issue of 52,000,000 ordinary shares on 31 October 2006 at $1.25 per share	65,000	-	65,000	-
Issue of 5,400,000 ordinary shares on 14 November 2006 at $1.25 per share	6,750	-	6,750	-
Issue of 42,600,000 ordinary shares on 27 November 2006 at $1.25 per share	53,250	-	53,250	-
Issue of 806,397 ordinary shares from the conversion of options at $0.25 per share which expired on 1 December 2005	-	202	-	202
Issue of 16,925,232 ordinary shares on 14 May 2007 at $2.30 per share	38,928	-	38,928	-
Issue of 37,075,918 ordinary shares on 14 June 2007 at $2.00 per share	74,152	-	74,152	-
Issue of 8,462,616 ordinary shares on 14 June 2007 at $2.00 per share	16,925	-	16,925	-
Issue costs incurred to the year ended 30th June 2007	(5,418)	-	(5,418)	-
Closing balance 30 June	258,697	9,110	258,697	9,110

The resolutions approved in the General Meeting on 26 October, 2006 included the consolidation of the Company's shares on issue on the basis of one share for every five shares on issue. As a result 36,924,398 ordinary shares of $0.25 each were converted

16 (c) Share issued not paid

In October 2006 Shareholders approved the establishment of the Director and Employee Share Scheme (the Share Scheme or Employee Shares) to enable Directors, employees and contractors to acquire shares in the Company.

As at 30 June 2007, the Board had approved the issue of 5,900,000 shares under the Share Scheme (2006: nil). Entitlement to the Employee Shares will vest in equal proportions over a period of up to three years.

The Share Scheme involves participants effectively borrowing from the Company to subscribe for the Employee Shares. The loans are limited recourse and interest free and initially 75% of the cash value of dividends will be applied towards part repayment of the loan. Other than dividends, there is no payment of cash by the Company to participants. The Employee Shares will be subject to a Holding Lock until 12 months has lapsed after the date on which vesting conditions are satisfied and the loan is repaid in full.

The number of issued shares adjusted for the Employee Shares is 175,748,654.

17 Reserves

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Available for Sale Investments Reserve	-	16	-	16
Cash Flow Hedge Reserve, net of tax	132	-	132	-
Share based payment reserve	226	-	226	-
Capital Profits Reserve	-	462	-	462
	358	478	358	478

Available for Sale (AFS) Investments reserve
The AFS Investments reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investment is derecognised.

Cash flow hedge reserve
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share based payment reserve
The share based payment reserve comprises the amortised costs of the granted fair value of the Share Scheme.

18 Earnings per share

Basic earnings per share
The calculation of consolidated basic earnings per share at 30 June 2007 was based on the profit attributable to ordinary shareholders of $4.09 million (2006: $157 thousand loss) and a weighted average number of ordinary shares outstanding of 74.5 million

Profit attributable to ordinary shareholders	Consolidated	
	2007	2006
	$'000	$'000
Net profit/(loss) attributable to ordinary shareholders	4,094	(157)

Weighted average number of ordinary shares *in thousands of shares*	No. '000	No. '000
Weighted average number of ordinary shares at 30 June	74,504	36,584

Diluted earnings per share
The calculation of consolidated diluted earnings per share at 30 June 2007 was based on profit attributable to ordinary shareholders of $4.09 million (2006: $157 thousand loss) and a weighted average number of ordinary shares outstanding after adjustment

Profit attributable to ordinary shareholders (diluted)	Consolidated	
	2007	2006
	$'000	$'000
Net profit (loss) attributable to ordinary shareholders (diluted)	4,094	(157)

	No. '000	No. '000
Weighted average number of ordinary shares (basic)	74,504	36,584
Effect of share options on issue	2,464	-
Weighted average number of ordinary shares (diluted) at 30 June	76,968	36,584

The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options were outstanding.

19 Related party disclosure

Directors and key management personnel
The Company has transferred the detailed remuneration disclosures (including key management personnel disclosures) to the Directors' Report. The information can be found in the Remuneration Report on pages 8 to 11.

The names of persons who were key management personnel of the Group and the Company at any time during the financial year are as follows:

NON-EXECUTIVE DIRECTORS
Ian Ingram (Non-Executive Director)
Philip Lewis (Non-Executive Director) (Appointed 26 October 2006)
Michael Perry (Non-Executive Director) (Appointed 26 October 2006)
Geoff Wilson (Non-Executive Director) (Resigned 26 October 2006)
Julian Gosse (Non-Executive Director) (Resigned 26 October 2006)
Andrew Brown (Non-Executive Director) (Resigned 26 October 2006)

EXECUTIVE DIRECTORS
Irene Lee (Executive Chairman) (Appointed 26 October 2006)
Mark Phillips (Managing Director) (Appointed 29 August 2006)
Bill Ireland (Executive Chairman) (Resigned 26 October 2006)

OTHER KEY MANAGEMENT
Karen McGregor (Chief Financial Officer and Company Secretary)
Ian Pike (Chief Investment Officer)
Martin Baker (Executive) (Resigned 3 March 2006)

(A) DETAILS OF REMUNERATION
Details of the remuneration of key management personnel are set out in the Remuneration Report on page 10.

19 Related party disclosure (continued)

(B) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL MOVEMENTS IN SHAREHOLDINGS INCLUDING EQUITY INSTRUMENTS GRANTED AS COMPENSATION VIA THE MARINER BRIDGE INVESTMENTS LIMITED DIRECTOR AND EMPLOYEE SHARE PLAN

The numbers of shares in the Company held during the financial year by key management personnel of the Group, including their personally-related entities is set out below. This includes shares provided as remuneration from the Mariner Bridge Investments Limited Director and Employee Share Plan.

Name	Balance at beginning of the financial year	Granted as Compensation during the year	Vested during the Year (but subject to 12 month holding lock)	Net other change	Balance at end of the financial year
2007	**No.**	**No.**	**No.**	**No.**	**No.**
Non Executive Directors					
Ian Ingram	-	200,000	-	-	200,000
Philip Lewis	-	200,000	-	314,287	514,287
Michael Perry	-	200,000	-	285,715	485,715
Geoff Wilson *	-	-	-	-	-
Julian Gosse *	-	-	-	-	-
Andrew Brown *	-	-	-	-	-
Executive Directors					
Irene Lee	-	1,000,000	-	1,642,467	2,642,467
Mark Phillips	-	3,000,000	1,000,000	390,000	3,390,000
Bill Ireland *	-	-	-	-	-
Other key management personnel					
Karen McGregor	-	150,000	-	64,929	214,929
Ian Pike	-	400,000	-	114,285	514,285
		5,150,000	1,000,000	2,811,683	7,961,683

* Resigned 26 October 2006

No shares were forfeited by any of the key management personnel included in the table above and no terms of equity-settled share-based payments have been altered or modified by the issuing entity during the reporting period.

There were no share-based payments issued to executives of the Company in the prior financial year.

For further details in regards to the terms and conditions of the shares granted under the Director and Employee Share Plan, refer to note 16 (c).

(C) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL
Mariner Bridge Investments Limited has undertaken transactions with Mariner Financial Limited (MFL). All transactions with MFL are made on an arms-length basis.

On 26 October 2006, the Company and MFL executed a binding heads of agreement setting out the working relationship between the two parties. The heads of agreement was restated in more formal terms in the service agreement dated 1 May 2007. During the year ended 30 June 2007, the Group incurred fees of $409,225 (2006: $305,574) in relation to the service agreement.

During the year ended 30 June 2007, the Group made loans totalling $20,000,000 to two projects ultimately owned by MFL. One loan was repaid on 5 April 2007. As at 30 June 2007 a loan of $5,000,000 was outstanding. Loans totalling $11,117,043 were provided by MFL to the Group and were repaid on 26 October 2006. Ian Ingram is a Non Executive Director of the Company and Deputy Chairman of MFL.

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving key management personnel interests existing at year-end.

19 Related party disclosure (continued)

Employee Share Scheme

As at 30 June 2007, 5,900,000 Employee Shares have been issued. Of this total, 1,000,000 Employee Shares have vested and these shares are subject to a 12 month holding lock which matures on 6 March 2008. The granted fair value of the Employee Shares is $699,329. The amortisation expense recognised in the financial report for the period ended 30 June 2007 was $226,469 and the amount recognised in the share based payment reserve was $226,469.

The movement during the reporting period in the number of ordinary shares in the Group held, directly, indirectly or beneficially, by directors and key management, including their related parties, is as follows:

	Number of Employee Shares granted during the year	Grant date	Fair value at grant date ($)	Exercise price ($)	Expiry date	Number of Employee Shares vested during 2007 *
Directors						
Irene Lee	1,000,000	25 August 2006	82,223	1.25	26 October 2009	-
Mark Phillips	3,000,000	18 August 2006	185,260	1.25	6 March 2009	1,000,000
Ian Ingram	200,000	25 August 2006	16,445	1.25	26 October 2009	-
Philip Lewis	200,000	27 September 2006	38,880	1.25	26 October 2009	-
Michael Perry	200,000	27 September 2006	38,880	1.25	26 October 2009	-
	4,600,000		361,688			1,000,000
Management personnel						
Ian Pike	400,000	5 October 2006	83,669	1.25	11 December 2009	-
Kyle Richardson	225,000	17 June 2007	80,511	2.27	30 November 2009	-
Matthew Davis	225,000	17 June 2007	80,511	2.27	30 November 2009	-
Karen McGregor	150,000	5 October 2006	30,745	1.25	1 November 2009	-
Edward Mytkowski	150,000	5 October 2006	30,481	1.25	16 October 2009	-
David Stefanoff	150,000	5 October 2006	31,724	1.25	3 January 2010	-
	1,300,000		337,641			-

No shares were granted in 2006.

* Shares remain subject to a 12 month holding lock period after vesting.

20 Segment reporting

30 June 2007

Business segments	Property $'000	Infrastructure $'000	Fixed income - US Securitisation $'000	Fixed income - Other $'000	Leasing $'000	Other operations $'000	Consolidated $'000
Net revenues	2,140	1,145	(7,144)	3,667	9,376	911	10,095
Fee income	527	22	-	693	431	161	1,834
Total segment revenues	2,667	1,167	(7,144)	4,360	9,807	1,072	11,929
Expenses	-	-	-	-	-	(6,482)	(6,482)
Profit/(loss) for the period	2,667	1,167	(7,144)	4,360	9,807	(5,410)	5,447
Segment assets	36,377	23,228	35,392	54,507	114,362	16,807	280,672
Segment liabilities	-	-	-	-	-	17,746	17,746
Net assets	36,377	23,228	35,392	54,507	114,362	(939)	262,926

30 June 2006

Business segments	Property $'000	Infrastructure $'000	Fixed income - US Securitisation $'000	Fixed income - Other $'000	Leasing $'000	Other operations $'000	Consolidated $'000
Interest revenues	-	-	-	-	-	520	520
Other revenues	-	-	-	-	-	77	77
Total segment revenues	-	-	-	-	-	597	597
Expenses	-	-	-	-	-	(753)	(753)
Profit for the period	-	-	-	-	-	(156)	(156)
Segment assets	-	-	-	-	-	9,049	9,049
Segment liabilities	-	-	-	-	-	147	147
Net assets	-	-	-	-	-	8,902	8,902

21 Auditors' remuneration	Consolidated 2007 $	Consolidated 2006 $	The Company 2007 $	The Company 2006 $
Auditors of the Company				
KPMG Australia:				
Audit and review of the financial reports	106,000	18,553	106,000	18,553
Tax services	42,918	6,300	42,918	6,300
Other non audit services	68,182	-	68,182	-
	217,100	24,853	217,100	24,853

22 Commitments for expenditure

Loan commitments

The Board has approved a number of loans and investments that are not fully drawn at year end. The balance of the undrawn loans and investments is approximately $92 million at 30 June 2007 (2006: $Nil).

22 Commitments for expenditure (continued)

Relocation and fitout commitments

The Board has also approved the expenditure of up to $900,000 to internalise accounting and related services and relocate to new premises during 2007. Most of this expenditure is of a capital nature and will be depreciated over a five year period.

23 Financial instruments

Exposure to interest rate, currency and credit risk arises in the normal course of the Group's business. Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates and interest rates.

Interest rate risk

At 30 June 2007 the Group's floating rate exposure on its committed credit facilities were unhedged. The Group will monitor exposure under the committed credit facilities and enter into interest rate swaps to achieve an appropriate mix of fixed and floating exposure within the Group's transaction risk management policy and having regard to the underlying loan and investment cashflows.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and loan assets that are denominated in a currency other than the Australian dollar. The currencies giving rise to this risk are primarily US Dollars and Euros.

The Group uses forward exchange contracts to hedge the foreign currency risk in loan and investment assets denominated in a foreign currency. At any point in time the Group also aims to hedge 100% of the estimated foreign currency interest on those loan and investment assets over the appropriate period of the underlying loan or investment. Where necessary, the forward exchange contracts are rolled over at maturity.

The Group's investments in foreign currencies at the balance sheet date was as follows:

Carrying amount of foreign currency exposures in AUD equivalent	**2007 $000**	**2006 $000**
US dollars	172,328	-
Euros	16,309	-
	188,637	-

Credit risk

Management has a transaction risk management policy in place which provides a framework for the assessment of credit risk on loan and investment assets at least annually. Management formally calculates a provision for doubtful debts in accordance with the accounting policy set out in note 3 (d) where evidence of impairment exists. Throughout the financial year, provisions may be recognised in the event of an adverse credit event occurring.

Transactions involving derivative financial instruments are with counterparties who have sound credit ratings. Management does not expect any counterparty to fail to meet its obligations.

At the reporting date there were no significant concentrations of credit risk. The exposure to credit risk is represented by the carrying amount of each financial asset, including derivatives in the balance sheet.

Liquidity risk

The Group seeks to manage liquidity risk by maintaining sufficient cash and committed credit lines. In addition, the Group maintains an investment portfolio that has a range of maturities typically from 6 months to 5 years which contributes to the ongoing availability of cashflow.

23 Financial instruments (continued)

Forecast transactions

The Group classifies its forward exchange contracts hedging forecast transactions as cash flow hedges.

Recognised assets and liabilities

The fair value of forward exchange contracts used as hedges of monetary assets in foreign currencies at 30 June 2007 was $3,674 thousand (2006: $nil) for the Group and $3,100 thousand (2006: $nil) for the Company, recognised in derivative assets.

Effective interest rates and repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following tables indicate their weighted average effective interest rates at the reporting date and the periods in which they mature or, if earlier, reprice.

Consolidated	Note	Weighted average interest rate %	Floating interest rate $000	Fixed interest maturing in: 1 year or less $000	1 to 5 years $000	Greater than 5 years $000	Non-interest bearing $000	Total $000
30 June 2007								
Financial assets								
Cash and cash equivalent	7 (a)	6.20%	8,436	-	-	-	-	8,436
Trade and other receivables	8		-	-	-	-	1,581	1,581
Held to maturity investments	10	10.27%	865	-	-	-	-	865
Loans & Receivables	9	13.55%	14,758	3,712	165,438	10,957	-	194,865
Available for sale investments	11	14.36%	13,219	-	-	-	-	13,219
Derivative assets	12		-	-	-	-	8,333	8,333
Investment in Associates	13	12.44%	-	-	46,584	-	-	46,584
			37,278	3,712	212,022	10,957	9,914	273,883
Financial liabilities								
Payables	14		-	-	-	-	1,797	1,797
Loans and borrowings	16	7.43%	10,500	-	-	-	-	10,500
			10,500	-	-	-	1,797	12,297
Net financial assets			26,778	3,712	212,022	10,957	8,117	261,586
30 June 2006								
Financial assets								
Cash and cash equivalent	7 (a)	5.97%	7,168	-	-	-	-	7,168
Trade and other receivables	8		-	-	-	-	90	90
Trading assets			-	-	-	-	56	56
Financial asset at fair value through profit or loss	10	9.59%	865	-	-	-	666	1,531
			8,033	-	-	-	812	8,845
Financial liabilities								
Trade and other creditors			-	-	-	-	147	147
			-	-	-	-	147	147
Net financial assets			8,033	-	-	-	665	8,698

	Consolidated		The Company	
24 Reclassification of comparative amounts	**2006 Reclassified $'000**	**2006 Previous $'000**	**2006 Reclassified $'000**	**2006 Previous $'000**
Available for sale investments	-	865	-	865
Held to maturity investment	865	-	865	-

25 Group entities

Ultimate parent company

The ultimate parent of the Group is Mariner Bridge Investments Limited incorporated in Australia.

		Ownership interest	
	Country of incorporation	**2007**	**2006**
Significant subsidiaries			
Bridge Property Investments Pty Limited	Australia	100	-
Pacific Bridge Cyprus Limited	Cyprus	100	-
Bridge Financial Pty Limited	Australia	100	-
MB Finance Pty Limited	Australia	100	-
Mariner Bridge Investments Trust	Australia	100	-

26 Contingences

There are no contingent assets and contingent liabilities as at the 30 June 2007.

27 Events subsequent to the reporting date

Mariner Bridge Investments Limited's objective is to continue to reduce the investment in Fixed Income - US Securitisations as a percentage of the total investment portfolio. Subsequent to balance date, the Company announced that in response to anticipated flow-on impacts from recent actions by rating agencies the Company will further write-down the US Securitisation investments by approximately $5 million. The Company expects that the additional provision against income can be accommodated without affecting overall profit expectations for the 2008 financial year.

No other matter or circumstance has arisen since the reporting date which would have a material effect on the Group’s financial statements as at 30 June 2007.

Directors' declaration

1 In the opinion of the directors of Mariner Bridge Investments Limited (the Company):

(a) the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2007 and of their performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;*

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(c) the remuneration disclosures that are contained in the Remuneration Report in the Directors' Report comply with the Australian Accounting Standard AASB 124 *Related Party disclosures*; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2007.

Signed in accordance with a resolution of the directors:

Irene Y L Lee
Executive Chairman

Sydney, 8th August 2007

KPMG

Independent auditor's report to the members of Mariner Bridge Investments Limited

Report on the financial report and AASB 124 remuneration disclosures contained in Directors' report

We have audited the accompanying financial report of Mariner Bridge Investments Limited (the Company), which comprises the balance sheets as at 30 June 2007, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, significant accounting policies and other explanatory notes set out on pages 17 to 40 and the directors' declaration set out on page 41 of the Group comprising the Company and the entities its controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the Company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by the Australian Accounting Standard AASB 124 *Related Party Disclosures,* under the heading "Remuneration Report" set out on pages 8 to 11 of the Director's report and not in the financial report. We have audited these remuneration disclosures.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report of the Group, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the Company are also responsible for the remuneration disclosures contained in the Directors' report

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our responsibility is also to express an opinion on the remuneration disclosures contained in the Director's report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the Director's report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the Director's report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the Director's report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Director's report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards (including the Australia Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position, and of its performance and whether the remuneration disclosures are in accordance with the Australian Accounting Standard AASB 124.

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

Auditor's opinion

In our opinion:

(a) the financial report of Mariner Bridge Investments Limited is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2007 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report of the Group also complies with International Financial Reporting Standards as disclosed in note 2(a).

Auditor's opinion on AASB 124 remuneration disclosures continued in the director's report

In our opinion, the remuneration disclosures that are contained in sections A to E of the Remuneration report in the Directors' Report comply with the Australian Accounting Standard AASB 124 *Related Party Disclosure.*

KPMG

KPMG

Andrew Dickinson
Partner

Sydney
8 August 2007