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

		2010	2009
		\$000	\$000
	Notes		
Interest income		40	160
Dividend income		1,103	988
Foreign exchange (losses)/gains on cash and cash equivalents	1 (i)	(1,482)	2,142
Net changes in fair value on investments	1 (ii)	14,591	6,226
Foreign exchange gains/(losses) on forward contracts	1 (ii)	44	(65)
Total net income		14,296	9,451
Operating expenses	1 (iii)	(3,623)	(2,339)
Operating profit before tax		10,673	7,112
Total tax expense	3 (i)	(26)	(891)
Net operating profit after tax attributable to shareholders		10,647	6,221
Other comprehensive income		0	0
Total comprehensive income after tax attributable to shareholders		10,647	6,221

Earnings per share

Basic earnings per share

<i>Profit attributable to owners of the Company (\$000)</i>	10,647	6,221
<i>Weighted average number of ordinary shares on issue net of treasury stock ('000)</i>	100,105	101,829
	\$ 0.11	\$ 0.06

Diluted earnings per share

<i>Profit attributable to owners of the Company (\$000)</i>	10,647	6,221
<i>Weighted average number of ordinary shares on issue net of treasury stock and adjusted for warrants ('000)</i>		
- <i>Weighted average ordinary shares on issue</i>	100,105	101,829
- <i>Weighted average warrants on issue</i>	51,499	51,499
	151,604	153,328
	\$ 0.07	\$ 0.04

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 19 should be read in conjunction with this Statement of Comprehensive Income

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

	Notes	2010 \$000	2009 \$000
Total profit for the year attributable to shareholders		10,647	6,221
Other comprehensive income		0	0
Total profit and comprehensive income for the year attributable to shareholders		10,647	6,221
Contributions from owners			
Warrants exercised	2	18	0
Dividends reinvested	2	589	0
Distributions to owners			
Dividends paid	4	(2,040)	0
Share buybacks	2	(3,261)	(722)
Movements in equity for the year		5,953	5,499
Equity at beginning of year		100,431	94,932
Equity at end of year		106,384	100,431

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 19 should be read in conjunction with this Statement of Changes in Equity

MARLIN GLOBAL LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

ASSETS		2010	2009
	Notes	\$000	\$000
Current Assets			
Cash and cash equivalents		14,329	10,892
Trade and other receivables	5	455	1,261
Current tax receivable	3(ii)	108	554
Financial assets at fair value through profit or loss	7	96,213	88,750
Total Current Assets		111,105	101,457
TOTAL ASSETS			
		111,105	101,457
LIABILITIES			
Current Liabilities			
Trade and other payables	6	4,721	1,026
Total Current Liabilities		4,721	1,026
TOTAL LIABILITIES			
		4,721	1,026
EQUITY			
Share capital	2	96,796	99,450
Retained earnings	4	9,588	981
Total Equity		106,384	100,431
Total Equity and Liabilities			
		111,105	101,457

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



R L Challinor
 Director
 23 August 2010



A M Cotton
 Director
 23 August 2010

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 19 should be read in conjunction with this Statement Financial Position

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

	2010	2009
	\$000	\$000
Operating Activities		
<i>Cash was provided from:</i>		
Sale of investments	76,432	52,932
Interest received	40	184
Dividends received	1,058	980
Realised foreign exchange (loss)/gain on cash and cash equivalents	(2,327)	3,999
Taxes received	420	0
<i>Cash was applied to:</i>		
Purchase of investments	(65,603)	(75,667)
Operating expenses	(2,752)	(2,019)
Taxes paid	0	(1,890)
Net cash inflows/(outflows) from operating activities	7,268	(21,481)
Financing Activities		
<i>Cash was provided from:</i>		
Proceeds from warrant exercise	18	0
<i>Cash was applied to:</i>		
Share buybacks	(3,261)	(722)
Dividends (net of dividends reinvested)	(1,451)	0
Net cash outflows from financing activities	(4,694)	(722)
Net increase/(decrease) in cash and cash equivalents held	2,574	(22,203)
Cash and cash equivalents at beginning of year	10,892	34,953
Effects of foreign currency translation on cash balance	863	(1,858)
Cash and cash equivalents at end of year	14,329	10,892

All cash balances comprise short-term cash deposits.

MARLIN GLOBAL LIMITED
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2010

	2010 \$000	2009 \$000
Reconciliation of operating profit after tax to net cash flows from operating activities		
Net profit after tax	10,647	6,221
<i>Items not involving cash flows:</i>		
Loss/(gain) on revaluation of fair value through profit or loss financial assets	1,041	(3,682)
	1,041	(3,682)
Impact of changes in working capital items		
Increase/(decrease) in fees and other payables	3,695	(2,396)
Decrease/(increase) in interest, dividends and other receivables	806	(819)
Change in current tax	446	(999)
	4,947	(4,214)
Items relating to investments and financing		
Net amount received from/(paid for) investments	10,829	(22,735)
Realised gain on investments	(16,521)	(622)
(Increase)/decrease in unsettled purchases of investments	(2,815)	2,352
(Decrease)/increase in unsettled sales of investments	(860)	1,199
	(9,367)	(19,806)
Net cash inflows/(outflows) from operating activities	7,268	(21,481)

The Accounting Policies set out on pages 7 to 11 and the Notes to the Financial Statements set on pages 12 to 19 should be read in conjunction with this Statement of Cash Flows

GENERAL INFORMATION

Entity Reporting

The financial statements of Marlin Global Limited ("Marlin Global" or the "Company") have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Legal Form & Domicile

The company is incorporated and domiciled in New Zealand.

Marlin Global is a limited liability company, incorporated under the Companies Act 1993 on 6 September 2007.

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

The Company is a profit-oriented entity and began operating as a listed investment company on 1 November 2007.

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

Authorisation of Financial Statements

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

No party may change these financial statements after their issue.

ACCOUNTING POLICIES

Period Covered by Financial Statements

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

Statement of Compliance

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

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

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

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

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

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

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

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

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

Summary of significant accounting policies

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

Measurement Base

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

Critical judgements, estimates and assumptions

The preparation of financial statements requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

Cash and Cash Equivalents

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

Statement of Cash Flows

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

- (a) Operating activities include all principal revenue producing activities and other events that are not financing activities.
- (b) Financing activities are those activities that result in changes in the size and composition of the capital structure.

Functional and Presentation Currency

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

Foreign Currency Transactions and Translations

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

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

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

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

Interest Income & Dividend Income

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

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

Manager's Performance Fee

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

Income Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable for the period. It is calculated by the Company using tax rates and tax laws that have been enacted or substantively enacted in respect of the taxable profits or losses to date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

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

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

Marlin Global elected into the Portfolio Investment Entity ("PIE") regime from the Company's commencement date.

Goods and Services Tax (GST)

The Company de-registered for GST on 9 April 2010 as it is not able to reclaim GST. The financial statements include GST where it is charged by other parties as it cannot be reclaimed.

Investments at Fair Value Through Profit or Loss

Classification

Investments in listed entities are classified at fair value through profit or loss in the financial statements under NZ IAS 39. This designation on inception is to provide more relevant

MARLIN GLOBAL LIMITED
STATEMENT OF ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2010

information given that the investment portfolio is managed, and performance evaluated, on a fair value basis, in accordance with a documented investment strategy.

Recognition & Measurement

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

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

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

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

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

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

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

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

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

Loans and Receivables

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

Trade Receivables

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

Trade Payables

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

Financial Instruments

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

Dividends Payable

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

Segmental Reporting

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

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

Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares on issue during the year. Refer to the Statement of Comprehensive Income for the earnings per share calculations.

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

Share Capital

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

Note 1 Income Statement

	2010 \$000	2009 \$000
(i) Foreign exchange (losses)/gains on cash and cash equivalents		
<i>Foreign exchange gains on cash and cash equivalents</i>		
Unrealised	845	(1,857)
Realised	(2,327)	3,999
Total foreign exchange (losses)/gains on cash and cash equivalents	(1,482)	2,142
(ii) Net changes in fair value of financial assets		
<i>Fair value through profit or loss - designated</i>		
<i>Equity investments</i>		
Unrealised	4,145	3,878
Realised	17,266	(10,915)
<i>Foreign exchange on equity investments</i>		
Unrealised	(6,031)	1,661
Realised	(789)	11,602
Total investment gains	14,591	6,226
<i>Fair value through profit or loss - held for trading</i>		
<i>Foreign exchange forward contracts</i>		
Unrealised	0	0
Realised	44	(65)
Total foreign exchange gains/(losses) on forward contracts	44	(65)
Total net changes in fair value of financial assets	14,635	6,161

	2010 \$000	2009 \$000
(iii) Operating Expenses		
Audit fees	34	35
Audit fees for other related work	0	0
Manager's fees (note 8)	1,527	1,260
Managers' performance fee (note 11)	839	0
Directors' fees	131	131
Brokerage and transaction fees	437	465
Custody and NZX fees	225	178
Personnel expenses	97	110
Administration & other	29	27
Investor relations and communications	125	65
Registry fees	32	34
Taxation, legal services and consulting	147	34
Total operating expenses	3,623	2,339

Note 2 Share Capital

Ordinary Shares

As at 30 June 2010 there were 103,018,220 (30 June 2009: 103,000,000) fully paid Marlin Global Shares on issue, including treasury stock of 4,230,181 shares (30 June 2009: 1,170,568 shares). All ordinary shares are classified as equity, rank equally and have no par value. All shares (with the exception of treasury stock) carry an entitlement to dividends and one vote attached to each fully paid ordinary share.

	2010	2009
	\$000	\$000
Opening balance	99,450	100,172
Proceeds of shares issued for warrants exercised	18	0
Proceeds of shares issued from treasury stock under the dividend reinvestment plan	589	0
Share buybacks initially held as treasury stock	(3,261)	(722)
Closing balance	96,796	99,450

Treasury Stock

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

	2010	2009	<i>Number of shares</i>	
	\$000	\$000	2010	2009
			'000	'000
Opening balance	722	0	1,171	0
Share buybacks	3,261	722	3,813	1,171
Shares re-issued under the dividend reinvestment plan	(589)	0	(754)	0
Closing balance	3,394	722	4,230	1,171

Warrants

As at 30 June 2010 there were 51,481,779 (30 June 2009: 51,499,999) warrants on issue. Each Marlin Global warrant held entitles the holder to subscribe for an ordinary share at an exercise price of \$1.00 exercisable in whole or in part subject to minimum exercise of 500 warrants (or such lesser number as the warrant holder may hold) by the holder lodging with the Share Registrar the notice of exercise of warrants in writing together with payment of NZ\$1.00 for each new share taken up.

The remaining warrant exercise dates are 15 September and 31 October 2010 (final exercise date). Any warrants not exercised by 31 October 2010 will expire.

For the year ended 30 June 2010, 18,220 Marlin Global warrants were converted into ordinary share at \$1.00 per share (30 June 2009: nil).

On 30 October 2009, Marlin Global announced its intention to continue its warrant buyback programme. At 30 June 2010 no warrants had been acquired under the programme.

The fair value of the warrants based on the last trading price at 30 June 2010 was \$0.01 each (30 June 2009: \$0.06 each).

Note 3 Taxation

(i) Taxation expense	2010	2009
	\$000	\$000
Net profit before tax	10,647	7,112
Taxable income	10,647	7,112
Tax thereon at 30% (2009: 30%)	3,202	2,134
Non-taxable realised gains on investments	(4,943)	(206)
Unrealised loss/(gain) not taxable	565	(1,662)
Exempt dividends subject to Fair Dividend Rate	(331)	(296)
Fair Dividend Rate income	1,346	887
Prior period adjustment	(49)	0
Non deductible expenses	168	34
Foreign tax credits forfeited	68	0
Taxation expense	26	891

Taxation expense comprises:

Current tax	26	891
	26	891

(ii) Current tax

Opening balance	554	(445)
Prior period adjustment	52	0
Current tax movement	(26)	(891)
Income tax (refunded)/paid	(472)	1,890
Current tax receivable	108	554

(iii) Imputation credit account balances

Opening balance	2,523	672
Net imputation credits attached to dividend	(869)	0
Taxation paid	(495)	1,851
Closing balance	1,159	2,523

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

Note 4 Retained earnings

	2010	2009
	\$000	\$000
Balance at beginning of year	981	(5,240)
Net operating profit for the year	10,647	6,221
Dividends paid	(2,040)	0
Balance at the end of the year	9,588	981

MARLIN GLOBAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Note 5 Trade and Other Receivables

	2010	2009
	\$000	\$000
Dividends receivable	103	58
Unsettled investment sales	339	1,199
Other receivables and prepayments	13	4
Trade and Other Receivables	455	1,261

Trade receivables are classified as loans and receivables under NZ IAS 39. Total loans and receivables are \$14,784,000 (30 June 2009: \$12,149,000) being cash plus trade and other receivables.

Note 6 Trade and Other Payables

	2010	2009
	\$000	\$000
Related party payable (note 8)	964	116
Unsettled investment purchases	3,675	859
Accruals & other payables	82	51
Total Trade and Other Payables	4,721	1,026

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

Note 7 Financial assets at fair value through profit or loss

	2010	2009
	\$000	\$000
<i>Financial assets at fair value through profit or loss are summarised as follows:</i>		
<i>Financial assets at fair value through profit or loss - designated</i>		
International listed equity investments at cost	99,802	90,454
Unrealised losses on international listed equity investments	(3,589)	(1,703)
Unrealised losses on foreign currency transactions	0	(1)
Total Investments at fair value through profit or loss	96,213	88,750

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

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

OTHER DISCLOSURES

Note 8 Related Party Information

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

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

MARLIN GLOBAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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

Management fees paid or payable (inclusive of GST) to Fisher Funds for the year ending 30 June 2010 totalled \$1,526,964 (30 June 2009: \$1,260,161), with \$125,210 being payable at 30 June 2010 (30 June 2009: \$115,975). During the year to 30 June 2010, the management fee was calculated and invoiced at 1.25% of Gross Asset Value (30 June 2009: 1.25%).

In addition, the management agreement provides for the payment of a performance fee to the Manager under certain circumstances. The performance fee earned in the year to 30 June 2010 is \$838,792, see Note 11 (30 June 2009: Nil).

Marlin Global's corporate management team are employed by Fisher Funds to provide management services to Marlin Global. The corporate team's remuneration is recharged by Fisher Funds and the cost for the year ended 30 June 2010 was \$96,546 (30 June 2009: \$109,076). These costs do not include any key management personnel compensation.

Administration and marketing costs incurred by Fisher Funds on behalf of Marlin Global amounted to \$23,753 for year ended 30 June 2010 and were recharged in full to Marlin Global (30 June 2009: \$31,930).

The Directors of Marlin Global are the only key management personnel and they earn a fee for their services which is disclosed in note 1 (iii) under Directors' fees (only independent Directors earn Directors' fees). The Directors also held shares in the Company at 30 June 2010 which are disclosed in the Statutory Information section of the Annual Report and total 0.26% of total shares on issue (30 June 2009: 0.25%). The Directors did not receive any other benefits which may have necessitated disclosure under NZ IAS 24 *Related Party Disclosures* (paragraph 16).

Off-market transactions between Marlin Global and other Funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (arm's length). During the year, off-market transactions between Marlin Global and other funds managed by Fisher Funds totalled \$258,000 for purchases and \$0 for sales (year ended 30 June 2009: purchases \$155,000 and sales \$0).

Note 9 Financial Risk Management Policies

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

The Management Agreement between Marlin Global Limited and Fisher Funds Management Limited details authorised investments. Financial instruments currently recognised in the financial statements also comprise cash and short term deposits, trade and other receivables and trade and other payables.

Capital Risk Management

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

MARLIN GLOBAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, undertake share buybacks, issue new shares and make borrowings in the short term.

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

Market Risk

All equity investments present a risk of loss of capital often due to factors beyond the Company's control such as competition, regulatory changes, commodity price changes and changes in general economic climates domestically and internationally. The Manager moderates this risk through careful stock selection and diversification, daily monitoring of the market positions and monthly reporting to the Board of Directors. In addition, the Manager has to meet the criteria of authorised investments within the prudential limits defined in the management agreement.

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

The countries in which Marlin Global's exposure is greater than 10% of the portfolio are China 21%, United States 18% and Germany 16% (2009: China 26% and United States 18%).

Price Risk

The Company is exposed to the risk of fluctuations in the underlying value of its listed portfolio companies. No companies individually comprise more than 10% of Marlin Global's portfolio (2009: none).

Interest Rate Risk

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

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

Currency Risk

The Company holds assets denominated in international currencies. It is therefore exposed to currency risk as the value of international denominated equities and cash held in international currencies will fluctuate with changes in the relative value of the New Zealand dollar compared to international currencies.

A sensitivity analysis for foreign currency has not been provided in Note 10 to the financial statements as Marlin Global is exposed to the fluctuations of several foreign currencies. At 30 June 2010, the following foreign currency assets (converted to New Zealand dollars) were held:

	30 June 2010	30 June 2009
	NZ\$'000	NZ\$'000
Euros	27,876	23,526
Hong Kong Dollars	13,506	14,714
Japanese Yen	7,987	4,540
Pounds Sterling	2,969	4,116
Singapore Dollars	17,434	22,708
Swiss Francs	4,400	15
US Dollars	35,492	30,173

Credit Risk

In the normal course of its business, the Company is exposed to credit risk from transactions with its counterparties. There are no significant concentrations of credit risk. The Company does not expect non-performance by counterparties, therefore no collateral or security is required.

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

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

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

Liquidity Risk

The Company endeavours to invest the proceeds from the issue of shares in appropriate investments while maintaining sufficient liquidity, through daily cash monitoring, to meet working capital and investment requirements. Such liquidity can be augmented by short-term borrowings from a registered bank to a maximum value of 20% of the Gross Asset Value of the Company. No such borrowings have arisen to date.

Note 10 Sensitivity Analysis

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

2010:	Carrying Amount	Profit	EQUITY PRICES (note i)			
			-15% Equity	Profit	+15% Equity	
Cash and Cash Equivalents	14,329	0	0	0	0	0
Financial assets at fair value through profit or loss	96,213	(14,432)	(14,432)	14,432	14,432	14,432

2010:	Carrying Amount	Profit	INTEREST RATE			
			-3% Equity	Profit	+3% Equity	
Cash and Cash Equivalents	14,329	(430)	(430)	430	430	430
Financial assets at fair value through profit or loss	96,213	0	0	0	0	0

The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate. The above sensitivities do not take into account impact on tax balances.

2009:	Carrying Amount	Profit	EQUITY PRICES (note i)			
			-15% Equity	Profit	+15% Equity	
Cash and Cash Equivalents	10,892	0	0	0	0	0
Financial assets at fair value through profit or loss	88,750	(13,313)	(13,313)	13,313	13,313	13,313

2009:	Carrying Amount	Profit	INTEREST RATE			
			-3% Equity	Profit	+3% Equity	
Cash and Cash Equivalents	10,892	(327)	(327)	327	327	327
Financial assets at fair value through profit or loss	88,750	0	0	0	0	0

The percentage movement for the interest rate sensitivity relates to an absolute change in the interest rate rather than a percentage change in interest rate. The above sensitivities do not take into account impact on tax balances.

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

Note 11 Performance Fee

The Management Agreement with Fisher Funds Management Limited provides for an annual performance fee for outperforming the benchmark rate and providing excess returns.

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

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

Excess return is defined as the excess above a benchmark return which is the change in the NZX 90-Day Bank Bill Index in the period plus 5% per annum.

Subject to all regulatory requirements, the Manager will use 25% of the Performance Fee to acquire Shares in Marlin Global on-market within 90 days of receipt of the Performance Fee. This obligation shall cease if and to the extent that the Manager holds 4.99% of the shares then on issue in the Company. Any shares acquired by the Manager must be held for at least 180 days from the date of payment of the Performance Fee.

At 30 June 2010 the net asset value was above the high water net asset value (after adjustment for capital changes and distributions) and the benchmark return. Accordingly the Company has accrued a performance fee in the Statement of Comprehensive Income for the year to 30 June 2010 of \$838,792 (30 June 2009: nil).

Note 12 Net Asset Value

The audited Net Asset Value per share of Marlin Global Limited as at 30 June 2010 was \$1.08 per share (30 June 2009: \$0.99).

The audited diluted Net Asset Value per share of Marlin Global Limited at 30 June 2010 was \$1.05 (30 June 2009: \$0.99).

The diluted Net Asset Value describes the effect if all warrants were exercised on the date of calculation of the Net Asset Value at \$1.00.

Note 13 Contingent Liabilities and Unrecognised Contractual Commitments

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

Note 14 Segmental Reporting

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

Note 15 Subsequent Events

There were no events subsequent to 30 June 2010 which require adjustment of, or disclosure in, the financial statements.

On 23 August 2010 the Board declared a dividend of 2 cents per share. The record date for this dividend is 10 September 2010 with a payment date of 24 September 2010.

On 23 August 2010 the Board announced a new long-term dividend policy whereby two percent of the average NAV will be distributed to shareholders every quarter. The first payment is to be made in December 2010.