



MARINER

Change creates value.

CORPORATION
LIMITED

Annual Financial Report 30 June 2017

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CORPORATE GOVERNANCE STATEMENT

Board Composition

The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed in the Directors' report.

From 9 November 2011, the company has not had any independent Directors. The size of the company and current business activities does not warrant the expense associated with appointing independent Directors.

Having regard to the size of the corporation the nomination and remuneration committees have not been active during the year under review.

Ethical Standards

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring Directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the code of conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Diversity Policy

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background. The company is committed to diversity and recognises the benefits arising from employee and Board diversity and the importance of benefiting from all available talent. Due to the size of the company a diversity policy or plan has not been implemented at this stage.

Trading Policy

The company's policy regarding Directors and employees trading in its securities is set by the Board. The policy restricts Directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Audit Committee

As the Board consists of only three members, a separate audit committee has been disbanded and the functions and duties of the audit committee are now dealt with by the main Board.

Performance Evaluation

Performance evaluations of the Board have not been undertaken as the size does not warrant it at this stage.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of Directors, changes to the constitution and receipt of annual and interim financial statements.

CORPORATE GOVERNANCE STATEMENT

Shareholder Rights (cont'd)

Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Mariner Corporation Limited, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of managing and reassessing its key business risks.

Remuneration Policies

The Remuneration Committee is governed by its charter, as approved by the Board. The Charter is available in the Corporate Governance section on Mariner's website, at www.marinercorporation.com.au.

The operations of the Remuneration Committee were suspended during the Period for the reasons given below, and there was no review of senior executive performance and remuneration.

Further information on Directors' and executives' remuneration is set out in the Remuneration Report of the Directors' Report and the Related Party note to the financial statements. The Remuneration Committee's terms of reference include responsibility for reviewing any transactions between the organisation and the Directors.

Remuneration Committee

As the Board consists of only three members a separate remuneration committee has been disbanded and the functions and duties of the remuneration committee are now dealt with by the main Board.

There are no schemes for retirement benefits other than statutory superannuation for non-executive Directors.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at www.marinercorporation.com.au

Directors' report

Your Directors present their report together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2017.

EXECUTIVE CHAIRMAN AND DIRECTORS

NAME	POSITION
Mr William Murfitt	Non-Executive Chairman (appointed 1 July 2014)
Mr Matthew Macdougall	Non-Executive Director (appointed 1 July 2014)
Mr Philip Barclay	Non-Executive Director (appointed 1 July 2014)

Review of Operations

Operating Results

The consolidated loss of the consolidated group for the financial year after providing for income tax amounted to \$242,721 (2016: loss of \$328,388).

The company has continued to reduce its operating and finance costs during the last 12 months whilst it explores new investment opportunities.

Revenue recognised during the year is from participating interests in rental assets.

Financial Position

The net assets of the consolidated group have increased from negative \$2,868,303 at 30 June 2016 to negative \$3,111,023 in 2017.

This is largely due to the following factors:

- Operating costs currently exceed the revenues recognised during the year from participating interests in rental assets.

Significant Changes in the State of Affairs

There has been no significant change in the state of affairs of the company during the past 12 months.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated group during the financial year were:

- Investment Activities
- Corporate Actions

Mariner makes strategic investments in listed companies, unlisted companies and passive rental assets, working with management and shareholders to improve the value of its investments.

Events subsequent to the End of the Reporting Period

Since 30 June 2017 there have been no matters which significantly affect or may significantly affect:

- a) the Group's operations in future financial years; or
- b) the results of those operations in future financial years; or
- c) the Group's state of affairs in future financial years;

Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

Likely Developments and Expected Results of Operation

To further improve the consolidated group's position and maximise shareholder wealth, the following developments are intended for implementation in the near future:

- i) The group will be embarking on strategies to acquire loan books, rental assets and businesses associated with asset financing, to increase shareholder value.
- ii) Utilise its management expertise to become involved in investments and grow the investments in the Balance Sheet.

These developments will utilise the expertise available within the group and assist in growing the business.

Environmental Regulation

The consolidated group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividend was paid to shareholders during the 2016/2017 financial year.

Indemnification of Officers

During the financial year, Mariner Corporation Limited paid a premium of \$17,130 to insure the Directors and Officers of the Company and its wholly owned subsidiaries.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of any entity in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of the duty by the officers or the improper use by the officers of their position or of information to gain an advantage for themselves or someone else to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Information on the Directors

William Murfitt – Non-Executive Chairman (appointed 1 July 2014)

Mr Murfitt has been involved in the equipment finance industry for the past 25 years, having spent more than a decade with the Commonwealth Bank in lending and managerial roles in both metro and rural areas prior to commencing a transport financing business – Translease.

Translease's loan volumes have grown to approximately \$100m pa concentrating in long haul fleet businesses. In 2006, the business then moved into the rental and operating lease market with the establishment of Global Rental & Leasing acquiring experienced teams from the corporate banking sector.

Interest in shares and options: 450,000 ordinary shares held indirectly.

Matthew Macdougall – Non-Executive Director (appointed 1 July 2014)

Mr MacDougall has worked in the finance industry for 24 years. He was owner and Managing Director of Interlease Capital Holdings Pty Limited which has been operating successfully in the Sydney market since 1988. In 1999, Mr MacDougall launched National Rental Corporation Limited which operated successfully on a national basis with offices in all major states around Australia. Mr MacDougall was Executive Director and on the board for 6 years until it was sold in a trade sale to a public company in 2006. Mr MacDougall worked out his 2 years as part of the sale at Alleasing as Head of Acquisitions NSW. In 2008, he left to take the role of CEO at Global Rental & Leasing.

Global Rental and Leasing has assets under management in excess of \$250m which have been accumulated over the last eight years.

Mr MacDougall holds a Bachelor in Business from Monash University and was also Chairman for 7 years of the Talent Development Foundation - a high profile NSW Government Education charity supporting NSW public school children.

Mariner Corporation Limited and Controlled Entities

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Matthew Macdougall – Non-Executive Director (appointed 1 July 2014) - (Continued)

Interest in shares and options: 450,000 ordinary shares held indirectly.

Philip Barclay – Non-Executive Director (appointed 1 July 2014)

Mr Barclay has worked in the finance industry for the last 20 years, having gained considerable experience in traditional and structured finance. Over ten years ago, Mr Barclay established Translease Pty Ltd which then moved into structured finance with the development of Global Rental and Leasing.

Mr Barclay has been involved in a number of structured finance transactions and has been responsible for individual deals up to \$45m. He has been very instrumental in the raising of Global Rental and Leasing's assets under management to \$250m.

Interest in shares and options: 450,000 ordinary shares held indirectly.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Adrian Olney – Company Secretary (appointed 10 November 2010)

Adrian Olney has project & property management and company secretarial experience. Adrian holds a Bachelor of Engineering and a Graduate Diploma of Management. He has previously worked for over 10 years in consulting engineering firms at Connell Wagner, Young Consulting Engineers and Arup.

Directors' Meetings

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2017 and the number of meetings attended by each Director was:

Director	Meetings held	Attended
Mr William Murfitt	4	4
Mr Philip Barclay	4	4
Mr Matthew MacDougall	4	4

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 9 of the financial report.

REMUNERATION REPORT - AUDITED

Introduction

This Remuneration Report ("The Report") has been prepared in accordance with section 300A of the Corporations Act, associated regulations and Australian Accounting Standard AASB 124 Related Party Disclosures.

The Report provides details of the remuneration arrangements for the following Key Management Personnel of the Group and the Company for the 2017 financial year:

Executive Chairman and Executive Directors

Name	Position
Mr William Murfitt (appointed 01/07/14)	Non-Executive Chairman
Mr Philip Barclay (appointed 01/07/14)	Non-Executive Director
Mr Matthew MacDougall (appointed 01/07/14)	Non-Executive Director
Mr Adrian Olney	Secretary

Key Management Personnel are those Directors and executives with authority and responsibility for planning, controlling and directing the affairs of Mariner Corporation Group, and include the highest paid executives of the Company and Group in accordance with section 300A of the *Corporations Act*.

Mariner Corporation Limited and Controlled Entities

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Remuneration Policy

Compensation levels for key management personnel and secretaries of the Company and key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and executives.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant segment's performance
- the Group's performance including:
 - the Group's earnings
 - the growth in share price and delivering constant returns on shareholder wealth
 - the amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation, and short- and long-term performance-based incentives.

Fixed compensation

Fixed compensation consists of base compensation (calculated on a total cost basis), as well as mandatory contributions to superannuation.

Compensation levels are reviewed annually by the Board through a process that considers individual, segment and overall performance of the Group.

Key Management Personnel remuneration

		Short Term Employee Benefits		Total	Post-employment Superannuation benefits	Share based payments	Proportion of remuneration performance related	Value of share based payments as proportion of remuneration
		Salary and fees	Short Term Cash Bonus					
		\$	\$	\$	\$	\$	%	%
Directors								
Mr W Murfitt	2017	-	-	-	-	-	0%	0%
	2016	-	-	-	-	-	0%	0%
Mr P Barclay	2017	-	-	-	-	-	0%	0%
	2016	-	-	-	-	-	0%	0%
Mr M MacDougall	2017	-	-	-	-	-	0%	0%
	2016	-	-	-	-	-	0%	0%
Mr A Olney	2017	25,210	-	25,210	-	-	0%	0%
	2016	24,000	-	24,000	-	-	0%	0%
Total all Key Management Personnel	2017	25,210	-	25,210	-	-		
	2016	24,000	-	24,000	-	-		

The size of the company previously resulted in the Board assuming the roles of key management personnel for the purposes of executive remuneration reporting.

There are no options that have been granted to key management personnel during the year in relation to remuneration.

Mariner Corporation Limited and Controlled Entities
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Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares of Mariner Corporation Limited held directly, indirectly or beneficially, by each specified Director and key management personnel, including their related entities, is as follows:

	Held at 30 June 2016	Purchases	Sales	Held at 30 June 2017
Directors indirect interests				
Mr W Murfitt	450,000	-	-	450,000
Mr M Macdougall	450,000	-	-	450,000
Mr P Barclay	450,000	-	-	450,000
Key management personnel direct interests				
Mr A Olney	23,215	-	-	23,215

DIRECTORS' INTERESTS

Shares issued on Exercise of Options

There were no options in place during the course of the year.

NON AUDIT SERVICES

Hall Chadwick is the Company's auditor. During the year, they have not performed other services in addition to their statutory duties. Details of the amount paid to the auditors are disclosed in Note 17 to the financial statements.

LEAD AUDITORS' INDEPENDENCE DECLARATION

A copy of the Lead Auditors' Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out on Page 8.

Dated at Sydney this 21st day of September.

This directors' report is made in accordance with a resolution of the Board of Directors:



William Murfitt
Non- Executive Chairman

**MARINER CORPORATION LIMITED
ABN 54 002 989 782
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MARINER CORPORATION LIMITED AND ITS
CONTROLLED ENTITIES**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB
Partner
Date: 21 September 2017

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Mariner Corporation Limited and Controlled Entities
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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2017

		Consolidated	
	Notes	2017	2016
		\$	\$
Revenue and income			
Rental income	2(b)	400,000	400,000
Other Income		-	16,744
Changes in Fair Value of Financial Assets		2,467	-
Total revenue and income		402,466	416,744
Expenses			
Administration and office costs		(21,551)	(24,898)
Finance costs	8	(228,887)	(359,353)
Professional fees and investment costs		(394,748)	(360,092)
Changes in fair value of financial assets		-	(789)
Total expenses		(645,187)	(745,132)
Loss before income tax		(242,721)	(328,388)
Income tax expense		-	-
Net loss for the period	2(a)	(242,721)	(328,388)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		(242,721)	(328,388)
Earnings per share			
Basic and diluted earnings / (loss) per share (cents)		(1.8)	(2.4)

The notes to the accounts on pages 13 to 30 are an integral part of these financial statements.

Mariner Corporation Limited and Controlled Entities
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Consolidated Statement of Financial Position
As at 30 June 2017

		Consolidated	
	Notes	2017	2016
		\$	\$
Current assets			
Cash and cash equivalents	5	12,462	21,002
Other receivables	6	11,844	8,190
Financial assets	7	5,426	2,960
Total current assets		29,732	32,152
Total assets		29,732	32,152
Current liabilities			
Payables	10	49,698	51,373
Borrowings	11	3,091,057	2,849,082
Total current liabilities		3,140,755	2,900,455
Total liabilities		3,140,755	2,900,455
Net assets		(3,111,023)	(2,868,303)
Equity			
Issued capital	12	133,587,098	133,587,098
Accumulated losses		(136,698,122)	(136,455,401)
Total equity		(3,111,023)	(2,868,303)

The notes to the accounts on pages 13 to 30 are an integral part of these financial statements.

Mariner Corporation Limited and Controlled Entities
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Consolidated Statement of Changes in Equity
For the year ended 30 June 2017

30 June 2017	Note	Share Capital	Other Reserves	Retained earnings/ (losses)	Total
		\$	\$	\$	\$
Balance at 1 July 2016		133,587,098	-	(136,455,401)	(2,868,303)
Total comprehensive income for the year		-	-	(242,721)	(242,721)
Balance at 30 June 2017	12	133,587,098	-	(136,690,122)	(3,111,023)

30 June 2016	Note	Share Capital	Other Reserves	Retained earnings/ (losses)	Total
		\$	\$	\$	\$
Balance at 1 July 2015		133,587,098	-	(136,127,013)	(2,539,915)
Total comprehensive income for the year		-	-	(328,388)	(328,388)
Balance at 30 June 2016	12	133,587,098	-	(136,455,401)	(2,868,303)
Balance at 30 June 2016	12	133,587,098	-	(136,455,401)	(2,868,303)

The notes to the accounts on pages 13 to 30 are an integral part of these financial statements.

Mariner Corporation Limited and Controlled Entities
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Consolidated Statement of Cash Flows

For the year ended 30 June 2017

		Consolidated	
	Notes	2017	2016
		\$	\$
Cash flows from operating activities			
Cash receipts in the course of operations		-	6,765
Cash payments in the course of operations		(200,540)	(219,648)
Interest paid		-	-
Net cash from operating activities	9	(200,540)	(212,883)
Cash flows from investing activities			
Proceeds from sale of financial assets		-	-
Purchase of financial assets		-	-
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from borrowings		192,000	230,000
Repayment of borrowings		-	-
Net cash from financing activities		192,000	230,000
Net (decrease) increase in cash and cash equivalents		(8,540)	17,117
Cash and cash equivalents at the beginning of the financial year		21,002	3,885
Cash and cash equivalents at the end of the financial year	5	12,462	21,002

The notes to the accounts on 13 to 30 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

The consolidated financial statements and notes represent those of Mariner Corporation Limited and Controlled Entities (the "consolidated group" or "group"). Mariner Corporation Limited is a company limited by shares, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Mariner Corporation Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on the 21st day of September 2017 by the directors of the company.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material Accounting policies adopted in the presentation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Mariner Corporation Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/ (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Note 1: Summary of Significant Accounting Policies (cont)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Note 1: Summary of Significant Accounting Policies (cont)

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments. Accordingly, such interests are accounted for on a cost basis.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

Note 1: Summary of Significant Accounting Policies (cont)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

g) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred and the consideration is unfixed, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

When the inflow of consideration is deferred and the consideration is reasonably certain, revenue will be amortised on a straight-line basis over the expected life of the asset. The expected life of the asset is determined with reference to the expected timing of cash flows.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue recognised for participating interests in rental assets is brought to account on a straight line basis over 5 years.

Note 1: Summary of Significant Accounting Policies (cont)

Note 1: Summary of Significant Accounting Policies (cont)

h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

j) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

k) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of AASB 9, the application of such accounting would be largely prospective.

The directors do not anticipate that the adoption of AASB 9 will have a significant impact on the Group's financial instruments.

- AASB 15: *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the accounting requirements applicable to revenue with a single, principles based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

Note 1: Summary of Significant Accounting Policies (cont)

k) New Accounting Standards for Application in Future Periods (cont)

- AASB 15: *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2018) (Continued).

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- o Identify the contracts(s) with a customer;
- o Identify the performance obligations in the contracts(s);
- o Determine the transaction price;
- o Allocate the transaction price to the performance obligations in the contract(s); and
- o Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The directors do not anticipate that the adoption of AASB 15 will have an impact on the Group's financial statements, given the company's current revenue stream.

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors do not anticipate that the adoption of AASB 16 will impact the Group's financial statements, as the company has no current lease commitments.

2. (a) Profit and loss

	Consolidated	
	2017	2016
	\$	\$
Loss for the year after charging		
- Increase / (decrease) in fair value of listed shares	2,467	(789)

2. (b) Revenue

	Consolidated	
	2017	2016
	\$	\$
Rental Income		
- Participating interest in equipment rental assets	400,000	400,000

In 2015, the company acquired a participating interest in the Global Rental and Leasing Pty Ltd Joint Venture (GRALJV). GRALJV is a partnership set up to provide funding to GRAL. Mariner acquired a participating interest in the GRALJV in order to obtain the rights to future income streams earned by GRAL.

3. Income tax expense / (credit)

Reconciliation between tax expense and pre-tax net (loss)

	Consolidated	
	2017	2016
	\$	\$
(a) The components of income tax expense comprise:		
Current tax	-	-
Deferred tax	(72,816)	(98,516)
DTA not recognised	72,816	98,516
	-	-
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:	(242,721)	(328,388)
Prima facie tax payable on profit from ordinary activities before income tax at 30%	(72,816)	(98,516)
Add:		
Tax effect of:		
- Debt Forgiveness	-	-
Less:		
Tax effect of:		
- Deferred tax assets not recognised	72,816	98,516
Income tax expense/(benefit)	-	-

4. Deferred tax assets

The Directors have elected to treat the following deferred tax balances conservatively and not carry forward these amounts as assets but to recognise it at the time against income when realised in future years. Utilisation of tax losses from prior years is reliant on meeting the prescribed tests in Division 165-A of the Income Tax Assessment Act 1997.

	Consolidated	
	2017	2016
	\$	\$
Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences @ 30% Tax Losses	35,101,282	36,161,846
Total	35,101,282	36,161,846

The taxation benefits will only be obtained if:

- i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- ii) the Company complies with the conditions for deductibility imposed by the law; and
- iii) no changes in tax legislation adversely affect the Company in realising the benefits from the deductions for the loss.

5. Cash and cash equivalents

	Consolidated	
	2017	2016
	\$	\$
Cash at bank and on hand	12,462	21,002
	12,462	21,002

6. Other receivables

	Consolidated	
	2017	2016
	\$	\$
Current		
Other debtors	11,844	8,190
	11,844	8,190

7. Financial assets

	Consolidated	
	2017	2016
	\$	\$
Investment in listed shares (a)	5,426	2,960
	5,426	2,960

- (a) Investments in listed shares are recorded at their purchase price at acquisition date and at balance date are based on quoted bid prices or the transaction prices of similar investments.

8. Finance costs

Consolidated		
	2017	2016
	\$	\$
Interest on liabilities measured at amortised cost (a)	(228,887)	(359,353)
	(228,887)	(359,353)
Net finance income and expense	(228,887)	(359,353)

(a) Interest expense represents interest accrued on vendor finance from Global Rental & Leasing and on the loan from Global SPV 10 Pty Ltd.

In 2015, the company acquired a participating interest in the Global Rental and Leasing Pty Ltd Joint Venture (GRALJV). GRALJV is a partnership set up to provide funding to GRAL. Mariner acquired a participating interest in the GRALJV in order to obtain the rights to future income streams earned by GRAL.

As part of the agreement the company is required to pay interest and management fees to GRAL. The management fee is paid monthly and is calculated based on 5% of the income earned by the joint venture. The interest component is charged at a margin of 2.50% above the Bank Bill Swap Benchmark Rate for the applicable month.

9. Cash flow Information

Consolidated		
	2017	2016
	\$	\$
Reconciliation of cash flows from operations with (loss) after income tax		
Operating (loss) after income tax	(242,721)	(328,388)
Non-cash flows in (loss)		
Unrealised gain/loss on investments	(2,467)	789
Income from participating interest in rental assets	(400,000)	(400,000)
Management fees relating to participating interest in rental assets	222,484	176,809
Accrued interest	227,492	358,503
Changes in assets and liabilities:		
Increase in other receivables	(3,653)	2,975
Increase / (decrease) in payables	(1,675)	(23,571)
Cash flow from operations	(200,540)	(212,883)

10. Payables

Consolidated		
	2017	2016
	\$	\$
Trade creditors	12,198	11,470
Other creditors and accruals	37,500	39,902
	49,698	51,373

11. Borrowings

				Consolidated	
		Expiry date	Nominal Interest rate	2017 \$	2016 \$
Current					
<i>Secured</i>					
Loan – Global SPV10 Pty Ltd	(a)	30/06/2018	6%	872,363	822,286
<i>Unsecured</i>					
Convertible Note – Global Clean Energy Finance Pty Ltd	(b)	30/06/2018	6%	1,790,933	1,623,590
Loan – Global Clean Energy Finance	(c)	30/06/2018	6%	427,762	403,206
Total Current				3,091,057	2,849,082
Total				3,091,057	2,849,082

- a) The debt was assigned to Global SPV 10 Pty Ltd from Optima Funding. During the year, the interest rate was reduced to 6% and the expiry extended to 30 June 2018.
- b) The company issued a convertible note to Global Clean Energy & Finance Pty Ltd, the proceeds of the note continue to be used to pay existing creditors and provide working capital.
- c) The debt was acquired by Global Clean Energy & Finance Pty Ltd from Lemarne Corporation with a 12-month interest free period. The interest free period has now expired and the rate is fixed at 6%.

12. Contributed equity and other reserves

Issued capital

			Consolidated	
			2017 \$	2016 \$
13,738,082 ordinary shares, fully paid (2016: 13,738,082)			133,587,098	133,587,098

Ordinary Shares

			Consolidated	
			2017 No.	2016 No.
At the beginning of the reporting period			13,738,082	13,738,082
Shares issued during the year:				
Shares issued			-	-
At the end of the reporting period			13,738,082	13,738,082

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.

13. Financial risk management

Introduction and overview

Mariner Corporation Limited maintains positions in a minimal number of non-derivative financial instruments as dictated by its investment management strategy. Its investment portfolio comprises non-quoted equity investments and fixed and variable interest loans, and investments in other schemes.

The Group activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. The most important types of financial risk to which the Group is exposed are market risk, credit risk and liquidity risk.

This note presents information about the Group's exposure to each of the above risks, and the Group's objectives, policies and processes for measuring and managing risk.

The Mariner Corporation Limited Board sets the overall strategy and policies for managing these risks. The monitoring and management of the risks at the local level is further delegated to the Group's Board of Directors and senior management.

(a) Market risk

Market risk is analysed as market price risk, interest rate risk and currency risk.

(iv) Market price risk

Market price risk is the risk that changes in market prices (other than changes due to currency or interest rate risk) will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures.

Management of market price risk

The investments are carried at fair value with changes in fair value recognised in the statement of comprehensive income; all changes in market conditions will directly affect net investment.

Risk management framework

The following table details the breakdown of the investment assets held by the Group and Company:

% of net assets	Consolidated	
	2017	2016
Investments in - listed shares	(0.1)%	(0.1)%

As at 30 June 2017, the Company has a deficiency of net assets amounting to (\$3,111,023) (2016: deficit of (\$2,868,303)).

Sensitivity analysis – market price risk

The price risk is measured when there are significant changes in underlying share prices.

The table below shows the risk in the Company profit or loss after tax and equity position as at 30 June, for hypothetical changes in underlying prices.

	Consolidated	
	2017 \$	2016 \$
+10% change in equity price	543	296
-10% change in equity price	(543)	(296)

13. Financial Risk Management (continued)

(ii) *Interest rate risk*

Interest rate risk consists of cash flow interest rate risk (the risk that future cash flows of a financial instrument will vary due to changes in market interest rates) and fair value interest rate risk (the risk that the value of a financial instrument will vary due to changes in market interest rates).

Management of interest rate risk

Interest rate risk is the risk of financial loss and / or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates.

Exposure to interest rate risk

As at the reporting date the interest rate profile of the Group's and Company's interest bearing instruments was:

	Consolidated	
	2017	2016
	\$	\$
Fixed interest rate		
Financial assets	-	-
Financial liabilities	(3,091,057)	(2,849,082)
	(3,091,057)	(2,849,082)
Variable interest rate		
Financial assets	-	-
Financial liabilities	-	-
	-	-

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates for fixed rate instruments would not affect profit and loss.

Cash flow sensitivity analysis for variable rate instruments

The variable interest rate bearing financial instruments are:

- Cash and cash equivalents
- Loans and receivables
- Loans and borrowings

The Group seeks to maximize interest rates on cash balances and monitor rates available on a regular basis.

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or loss after tax by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Effect in \$	Consolidated	
	+100bp	-100bp
2017		
Financial assets *	54	(54)
Financial liabilities *	30,910	(30,910)
2016		
Financial assets *	29	(29)
Financial liabilities *	28,480	(28,480)

* Excluding derivatives

13. Financial Risk Management (continued)

(iii) Currency risk

Currency risk is the risk that the value of assets and liabilities denominated in a foreign currency will fluctuate due to adverse movements in exchange rates.

As at 30 June 2017, the Group has no exposure to currency risk (2016: nil).

(b) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. We are of the opinion the debtor amounts shown in note 6 will be recovered in full.

Management of credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

		Consolidated	
Carrying amount	Credit Rating*	2017 \$	2016 \$
Cash and cash equivalents	AA	12,462	21,002
Other receivables	n/a	11,844	8,190
Financial assets	n/a	5,426	2,960
		29,732	32,153

(Rating: Standard & Poor's)

Of the net carrying amount for other receivables, there are no amounts overdue as at 30 June 2017.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Management of liquidity risk

The Group's policy is to ensure that, as far as possible, it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions.

13. Financial Risk Management (continued)

Exposure to liquidity risk

The table below presents cash flows payable by the Group by remaining contractual maturities at the balance sheet date. The amounts disclosed are the contractual, undiscounted cash flows:

			Maturity			
			6 months or less	6-12 months	1-2 Years	More than 2 years
2017	Carrying amount	Contractual cash flows				
	\$	\$	\$	\$	\$	\$
Consolidated						
<i>Financial Liabilities</i>						
Payables	49,698	49,698	49,698	-	-	-
Borrowings	3,091,057	3,091,057	-	3,091,057	-	-
	3,140,755	3,140,755	49,698	3,091,057	-	-
			Maturity			
			6 months or less	6-12 months	1-2 Years	More than 2 years
2016	Carrying amount	Contractual cash flows				
	\$	\$	\$	\$	\$	\$
Consolidated						
<i>Financial Liabilities</i>						
Payables	51,373	51,373	51,373	-	-	-
Borrowings	2,849,082	2,849,082	-	2,849,082	-	-
	2,900,455	2,900,455	51,373	2,849,082	-	-

The Group maintains cash flow forecasts for the next 12 months on a rolling basis. This takes into consideration all projected debt payments.

(a) Fair value of financial assets and liabilities

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables are repayable on demand, thus face value equates to fair value.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date. For non-traded equity investments, the fair value is an assessment by the Directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment.

The carrying amounts of financial assets and liabilities equates to their fair values at balance date.

14. Statement of Capital Management

Management controls the capital of the Company to ensure the Company can fund its operations and continue as a going concern. Over the past twelve months the Board has managed the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include management of debt levels, distribution to shareholders and share issues or buybacks.

The Company has a number of short term liabilities that must be met. The Board has explored various sources of capital to meet these commitments which are explained in the going concern note.

15. Parent Entity Disclosures

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

A. STATEMENT OF COMPREHENSIVE INCOME

	Notes	Parent Entity	
		2017 \$	2016 \$
Net (loss)/profit attributable to equity holders of the company		(242,721)	(328,388)
Total comprehensive (loss)/profit for the year		(242,721)	(328,388)

B. STATEMENT OF FINANCIAL POSITION

	The Company	
	2017 \$	2016 \$
ASSETS		
Total current assets	29,732	32,152
Total assets	29,732	32,152
LIABILITIES		
Total current liabilities	3,140,755	2,900,455
Total liabilities	3,140,755	2,900,455
Net assets	(3,111,023)	(2,868,303)
EQUITY		
Share Capital	133,587,098	133,587,098
Accumulated losses	(136,698,122)	(136,455,401)
Total equity	(3,111,023)	(2,868,303)

C. CONTINGENT LIABILITIES

Bank guarantees	-	-
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Detailed contingent liabilities are disclosed in Note 22.

16. Auditors remuneration

	Consolidated	
	2017	2016
	\$	\$
Auditors of the Company		
Audit and review of the financial report	60,088	60,156
	60,088	60,156

17. Related parties

Key management personnel compensation

The key management personnel compensation included in 'administration and office costs' in the statement of comprehensive income is as follows:

	Consolidated	
	2017	2016
	\$	\$
Short-term employee benefits	25,210	24,000
Post-employment benefits	-	-
	25,210	24,000

(a) Individual Directors and executive's compensation disclosures

Information regarding individual Directors and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report. Apart from the details disclosed in the Remuneration Report, no Director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

(b) Other transactions with the Company or its controlled entities

A number of Directors and key management personnel, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

During the year, the company paid fees to the following entities for providing administrative and consulting services to the group:

- \$25,210 (2016: \$24,000) to Property Management Group of which Mr A Olney is a director.

The following interest was paid/payable to related entities:

	2017	2016
	\$	\$
Interest paid/payable		
Loan – Global SPV 10	50,077	47,326
Vendor Finance – Global Clean Energy & Finance Pty Ltd	177,414	311,176

18. Group entities

Ultimate parent entity

The ultimate parent entity in the wholly-owned group is Mariner Corporation Limited.

Name of entity	Country of Incorporation	Ownership Interest	
		2017 %	2016 %
The parent company			
Mariner Corporation Limited			
Controlled entities			
Mariner Asset Management Limited (dormant)	Australia	100	100

19. Segment information

The Group operates in one segment only being investment products in Australia.

20. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 30 June 2016 was based on the loss of (\$233,630) (2016: loss of \$328,388) and a weighted average number of ordinary shares outstanding of 13,738,082 (2016: 13,738,082 shares), calculated as follows:

	Consolidated	
	2017 \$	2016 \$
Net (loss) from continuing operations for the year	(242,721)	(328,388)
<i>Weighted average number of ordinary shares (basic)</i>		
<i>In shares</i>		
Issued ordinary shares at 1 July 2016	13,738,082	13,738,082
Weighted effect of shares issued	-	-
Weighted average number of ordinary shares at 30 June 2017	13,738,082	13,738,082

There are no adjustments to the accounts required to reflect the impact of any non-controlling equity interests or other types of shares that could impact the calculations for ordinary shareholders.

21. Contingencies

There are no other contingent assets or contingent liabilities as at 30 June 2017.

22. Going Concern

The Company incurred a net loss of \$242,721, after providing for income tax, for the year ended 30 June 2017 and, as of that date, the Company's current liabilities exceeded its current assets by \$3,111,023.

The Company has continued to review new investment opportunities during and since 30 June 2017 with the view to bringing cash-flow and value to the Balance Sheet. The company also continues to have its borrowings controlled by related entities on favourable terms.

The Directors have reached the conclusion that based on all available facts and information currently available, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable and is a going concern. In reaching this conclusion the Directors have had regard to, amongst other things, the following:

- The continued support from related parties regarding the terms and repayment options for borrowings. This includes related parties not calling on their loans in the next 12 months prior to repayment date.
- Future cash required to meet ongoing commitments will be derived from equity raising as and when required and rental income from the Global joint venture.

23. Events subsequent to reporting date

There have been no subsequent events or transactions that have arisen since the end of the financial year, which in the opinion of the Directors, would affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

24. Company details

The registered office and principle place of business of the company is:

Mariner Corporation Limited

Level 9

32 Walker Street

North Sydney NSW 2060

Mariner Corporation Limited and Controlled Entities
ABN 54 002 989 782

Directors' Declaration

In accordance with a resolution of the directors of Mariner Corporations Limited, the directors of the company declare that:

- 1 the financial statements and notes, as set out on pages 9 to 30 are in accordance with the *Corporations Act 2001* and:
 - a) comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the company and consolidated group;
- 2 in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable as disclosed in Note 23 to the financial statements.
- 3 the Chief Executive Officer and Chief Finance Officer have each declared that:
 - a) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;

This declaration is made in accordance with a resolution of the Board of Directors.



Non-Executive Chairman
William Murfitt

Dated this 21st day of September, 2017

**MARINER CORPORATION LIMITED
ABN 54 002 989 782
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Opinion

We have audited the financial report of Mariner Corporation Limited, which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

- (a) the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Consolidated Entity in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporation Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

We draw attention to Note 22 in the financial report, which indicates that the Company incurred a net loss of \$242,721 during the year ended 30 June 2017 and, as of that date, the Company's current liabilities exceeded its total assets by \$3,111,023. As stated in Note 22, these events or conditions, along with other matters as set forth in Note 22, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Accounting Firms

 **PrimeGlobal**

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

**How Our Audit Addressed
the Key Audit Matter**

Accounting for participating interest in Global Rental and Leasing Pty Ltd Joint Venture (GRALJV)

Refer to Note 2(b) Revenue and Note 8 Finance Costs

In 2015, the company acquired a participating interest in the Global Rental and Leasing Pty Ltd Joint Venture (GRALJV). GRALJV is a partnership set up to provide funding to GRAL. Mariner acquired a participating interest in the GRALJV in order to obtain the rights to future income streams earned by GRAL. As part of the agreement the company is required to pay interest and management fees to GRAL. The management fee is paid monthly and is calculated based on 5% of the income earned by the joint venture. The interest component is charged at a margin of 2.50% above the Bank Bill Swap Benchmark Rate for the applicable month. We considered this to be a key audit matter due to its impact on the financial report and that it provides the company with a revenue stream.	Our procedures included amongst others: • We have reviewed the terms and structure of the agreement in order to determine the appropriate accounting treatment. • We re-performed rental income; interest and management fee calculations.
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Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

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Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Director's Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the Corporations Act 2001 and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities with the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 5 to 7 of the directors' report for the year ended 30 June 2017. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the remuneration report of Mariner Corporation Limited for the year ended 30 June 2017 complies with s 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

GRAHAM WEBB
Partner
Date: 21 September 2017

Shareholder information

A. Substantial Shareholders

The following have advised that they have a relevant interest in the capital of Mariner Corporation Limited as at 31 August 2017. The holding of a relevant interest does not infer beneficial ownership. Where two or more parties have a relevant interest in the same shares, those shares have been included for each party.

Substantial ordinary shareholders	No. of ordinary shares held	Percentage held of Issued Ordinary Capital
B C ROOFING PTY LTD	2,247,648	16.36%
ATAK PTY LIMITED	1,889,521	13.75%
GLOBAL CLEAN ENERGY FINANCE PTY LTD	1,500,000	10.92%
BKTN HOLDINGS PTY LTD	1,401,801	10.20%

B. Distribution of Equity Securities

- (i) Analysis of numbers of equity security holders by size of holding as at 31 August 2017.

			Ordinary Shares	
Category (Size of Holdings)			Number of Holders	Options
1	-	1,000	1,192	-
1,001	-	5,000	120	-
5,001	-	10,000	31	-
10,001	-	100,000	66	-
100,001	-	and over	19	-
			1,428	-

- (ii) There were 1,334 holders of less than a marketable parcel of ordinary shares.

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B. Equity Security Holders

Twenty largest quoted equity security holders (31 August 2017)

SHAREHOLDER	Number Held	% of
B C ROOFING PTY LTD	2,247,648	16.36
ATAK PTY LIMITED	1,889,521	13.75
GLOBAL CLEAN ENERGY FINANCE PTY LTD	1,500,000	10.92
BTKN HOLDINGS PTY LTD	1,401,801	10.20
MRS MICHELLE MAREE JOHNSON	419,355	3.05
ENL HOLDINGS PTY LTD	400,000	2.91
RHEAD INVESTMENTS PTY LTD <RHEAD SUPER FUND A/C>	391,430	2.85
MRS JACQUELINE CHIU-YUEH HSU + MR STEPHEN CHIA-KUEI HSU <KINGBIRD SUPERANNUATION A/C>	359,771	2.62
A & D NESTOLA PTY LTD <A & D NESTOLA SF A/C>	327,806	2.39
SEGOVIA 424 PTY LTD <SEGOVIA 424 SUPER FUND A/C>	323,300	2.35
MR JUSTIN FOLLETT	295,601	2.15
MS TAMARA JOHNSON + MR JUSTIN FOLLETT	220,000	1.60
MR PETER HOWELLS	197,017	1.43
VILLAGE GALLERY PALM COVE	150,440	1.10
CHRISWALL HOLDINGS PTY LTD	125,572	0.91
MR FRED WU	121,815	0.89
MS TAMARA JOHNSON + MR JUSTIN FOLLETT <LAKOBRO SUPER A/C>	118,972	0.87
MR IAN WILLIAM DORNEY	108,480	0.79
WILLOW HOLDINGS PTY LTD ,GARY LINTON S/FUND A/C>	102,000	0.74
MR KYM ANTHONY BIDDELL	100,000	0.73
	10,800,529	78.61

C. Voting Rights

The voting rights, upon a poll, are one vote for each share held.

Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

Corporate Directory

Directors

William Murfitt

Non-Executive Chairman

Matthew Macdougall

Non-Executive Director

Philip Barclay

Non-Executive Director

Company Secretary

Adrian Olney

Corporate Details

Mariner Corporation Limited

ACN: 002 989 782

ABN: 54 002 989 782

Registered Office

Level 9

32 Walker Street

North Sydney NSW 2060

Telephone: +61 2 9467 9980

Facsimile: +61 2 8920 0085

Auditor

Hall Chadwick

Chartered Accountants and Business
Advisers

Level 40

2 Park Street

Sydney NSW 2000

Bankers

National Australia Bank Ltd

Business Banking Centre

Level 1

99 Bell Street

Preston Vic 3072

Share Registry

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnston Street

Abbotsford VIC 3067

GPO Box 2975EE, Melbourne VIC 3000

T: 1300 787 272

T: +61 3 9415 4000 (outside Australia)

F: +61 3 9473 2500

Stock Exchange Listings

The ordinary shares of Mariner

Corporation Limited are listed on the
Australian Stock Exchange

(Code: MCX)

Notice of Annual General Meeting

The Annual General Meeting for Mariner
Corporation Limited will be held in:

Mariner Corporation Limited

Boardroom

Level 9, 32 Walker Street

North Sydney NSW 2060

Time: 11:30am

Date: 23 November 2017