

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

Interim financial report for the half-year ended 31 December 2018

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

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Directors report

The directors of Mariner Corporation Limited ("the company") submit herewith the interim financial report of Mariner Corporation Limited and its subsidiary ("the group") for the half-year ended 31 December 2018. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names of the directors of the company during or since the end the half-year are:

| Name | Position |
|----------------------|------------------------|
| Mr William Murfitt | Executive Chairman |
| Mr Mathew MacDougall | Non-Executive Director |
| Mr Philip Barclay | Non-Executive Director |

Review of operations

The consolidated net profit for the company after considering the income tax, amounted to \$8,972 (2017: net loss \$60,258). The basic profit per share for the period was 0.07 cents per share (2017: loss of 0.44 cents per share).

The group continues to invest in diversified investments, primarily in the equipment lease and financial services sectors.

The company continues to look for growth opportunities to raise capital and other investments.

Dividends


There were no dividends paid or declared for the period ended 31 December 2018 (2017: nil). The directors have not made recommendation for payment of dividends in respect of the half-year.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Chairman: 
William Murfitt

Dated: 28 February 2019

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

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

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

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

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Webb

GRAHAM WEBB
Partner
Date: 28 February 2019

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Mariner Corporation Limited and controlled entity

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Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2018

| Consolidated | | | |
|------------------------------------------------------------|------|---------------------|---------------------|
| | | 31 December 2018 | 31 December 2017 |
| | Note | \$ | \$ |
| Revenue | | | |
| Rental income | 3 | 200,000 | 200,000 |
| Net change in fair value of financial assets | | (1,283) | 3,749 |
| Expenses | | | |
| Administration and office costs | | (27,716) | (13,816) |
| Finance costs | | (95,324) | (96,171) |
| Professional fees and investment costs | | (65,299) | (152,552) |
| Other expenses | | (1,406) | (1,468) |
| Profit/(loss) before tax | | 8,972 | (60,258) |
| Income tax expense | | - | - |
| Profit/(loss) for the year | | 8,972 | (60,258) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income/(loss) for the year | | 8,972 | (60,258) |
| Earnings per share | | | |
| Basic earnings per share (cents per share) | | 0.07 cents | (0.44) cents |
| Diluted earnings per share (cents per share) | | 0.07 cents | (0.44) cents |

The accompanying notes form part of these financial statements.

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

Consolidated statement of financial position as at 31 December 2018

| | | Consolidated | |
|----------------------------------|------|---------------------------|---------------------------|
| | | 31 December 2018 | 30 June 2018 |
| | Note | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 5,642 | 16,080 |
| Other receivables | 5 | 2,749 | 12,431 |
| Other assets | 6 | 9,870 | - |
| Financial assets | 7 | 5,426 | 6,709 |
| Total current assets | | <u>23,687</u> | <u>35,220</u> |
| Total assets | | <u>23,687</u> | <u>35,220</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 25,924 | 41,319 |
| Borrowings | 9 | <u>3,137,815</u> | <u>3,142,925</u> |
| Total current liabilities | | <u>3,163,739</u> | <u>3,184,244</u> |
| Total liabilities | | <u>3,163,739</u> | <u>3,184,244</u> |
| Net assets | | <u>(3,140,052)</u> | <u>(3,149,024)</u> |
| Equity | | | |
| Issued capital | 10 | 133,587,098 | 133,587,098 |
| Accumulated losses | | <u>(136,727,150)</u> | <u>(136,736,122)</u> |
| Total equity | | <u>(3,140,052)</u> | <u>(3,149,024)</u> |

The accompanying notes form part of these financial statements.

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

Consolidated statement of changes in equity for the half-year ended 31 December 2018

31 December 2018

| | Issued capital \$ | Accumulated losses \$ | Total \$ |
|-----------------------------|-------------------------|-----------------------------|--------------------|
| Balance at 1 July 2018 | 133,587,098 | (136,736,122) | (3,149,024) |
| Profit for the half-year | - | 8,972 | 8,972 |
| Balance at 31 December 2018 | <u>133,587,098</u> | <u>(136,727,150)</u> | <u>(3,140,052)</u> |

31 December 2017

| | Issued capital \$ | Accumulated losses \$ | Total \$ |
|-----------------------------|-------------------------|-----------------------------|--------------------|
| Balance at 1 July 2017 | 133,587,098 | (136,698,122) | (3,111,024) |
| Loss for the half-year | - | (60,258) | (60,258) |
| Balance at 31 December 2017 | <u>133,587,098</u> | <u>(136,758,380)</u> | <u>(3,171,282)</u> |

The accompanying notes form part of these financial statements.

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

Consolidated statement of cash flows for the half-year ended 31 December 2018

| | Consolidated | |
|---------------------------------------------------------------------|---------------------|---------------------|
| | 31 December 2018 | 31 December 2017 |
| Note | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | - | - |
| Payments in the course of operations | (101,905) | (111,192) |
| Net cash used in operating activities | (101,905) | (111,192) |
| Cash flows from investing activities | | |
| Net cash used in investing activities | - | - |
| Cash flows from financing activities | | |
| Proceeds from convertible notes | 85,000 | 95,000 |
| Proceeds from borrowings | 16,080 | 20,000 |
| Repayment of borrowings | (9,613) | (11,548) |
| Net cash generated by financing activities | 91,467 | 103,452 |
| Net (decrease) in cash and cash equivalents held | (10,438) | (7,740) |
| Cash and cash equivalents at beginning of the financial period | 16,080 | 12,462 |
| Cash and cash equivalents at the end of the financial period | 5,642 | 4,722 |

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The accompanying notes form part of these financial statements.

Mariner Corporation Limited and controlled entity

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Notes to the consolidated financial statements for the half-year ended 31 December 2018

1. General Information

Mariner Corporation Limited (the "company") is a company incorporated in Australia. The consolidated interim financial report includes the financial statements of the company and the entity it controlled ("the group"), for the half-year ended 31 December 2018.

For the purposes of preparing the interim financial report, the company is a for-profit entity.

The consolidated annual financial report of the group for the year ended 30 June 2018 is available upon request from the company's website www.marinercorporation.com.au or at its registered office at:

Level 9
32 Walker Street
North Sydney NSW 2060

2. Significant accounting policies

(a) Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the group's 2018 annual financial report for the financial year ended 30 June 2018.

The group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to the operations and effective for the current half-year.

The adoption of all the new and revised Standards and Interpretations, including AASB 9 '*Financial Instruments*' and AASB 15 '*Revenue from Contracts with Customers*', has not resulted in any changes to the group's accounting policies and has no effect on the amounts reported for the current or prior half-years.

(c) Going concern

The consolidated net profit of the company, after tax was \$8,972 (2017: loss \$60,258), with cash outflows from operating activities of \$101,905 (2017: cash outflow \$111,192); and a working capital deficit of \$3,140,052 (2017: working capital deficit \$3,149,024).

The company has continued to review new investment opportunities since 30 June 2018 with the view to improving its cash flows and statement of financial position.

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 had regard to the following:

- The continued support from related parties regarding the terms and repayment options for borrowings;
- A guarantee of financial support from related parties to the value of \$1million, should debts be unable to be paid as and when they fall due;
- 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.

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Notes to the consolidated financial statements for the half-year ended 31 December 2018

2. Significant accounting policies (cont'd)

(c) Going concern (cont'd)

As at 30 June 2019, the company's participating interest arrangement in the Global Rental and Leasing Pty Ltd Joint Venture ("GRALJV") will cease. The directors are seeking investment opportunities and currently have a number of investment proposals under consideration.

(d) Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

During the half-year ended 31 December 2018, management reassessed its estimates in respect of the fair value of its financial assets (note 7).

Mariner Corporation Limited and controlled entity

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Notes to the consolidated financial statements for the half-year ended 31 December 2018

3. Revenue

| | Consolidated | |
|---------------------------------------------------|---------------------|---------------------|
| | 31 December 2018 | 31 December 2017 |
| | \$ | \$ |
| Rental income: | | |
| Participating interest in equipment rental assets | 200,000 | 200,000 |

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

4. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash in banks. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

| | Consolidated | |
|--------------|---------------------|-----------------|
| | 31 December 2018 | 30 June 2018 |
| | \$ | \$ |
| Cash at bank | 5,642 | 16,080 |

5. Other receivables

| | Consolidated | |
|-------------------|---------------------|-----------------|
| | 31 December 2018 | 30 June 2018 |
| | \$ | \$ |
| Current | | |
| Other receivables | 2,749 | 12,431 |

6. Other assets

| | Consolidated | |
|-------------|---------------------|-----------------|
| | 31 December 2018 | 30 June 2018 |
| | \$ | \$ |
| Current | | |
| Prepayments | 9,870 | - |

Mariner Corporation Limited and controlled entity

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Notes to the consolidated financial statements for the half-year ended 31 December 2018

7. Financial assets

| | Consolidated | |
|---------------------------------|---------------------|-----------------|
| | 31 December 2018 | 30 June 2018 |
| | \$ | \$ |
| Current | | |
| Investment in listed shares (i) | 5,426 | 6,709 |

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

8. Trade and other payables

| | Consolidated | |
|--------------------------------------|---------------------|-----------------|
| | 31 December 2018 | 30 June 2018 |
| | \$ | \$ |
| Current | | |
| <i>Unsecured liabilities</i> | | |
| Trade payables | 3,424 | 3,819 |
| Sundry payables and accrued expenses | 22,500 | 37,500 |
| | <u>25,924</u> | <u>41,319</u> |

9. Borrowings

| | | | Consolidated | |
|--------------------------------------------------------------|----------------|-----------------------------|---------------------|------------------|
| | Expiry date | Nominal interest rate | 31 December 2018 | 30 June 2018 |
| | | | \$ | \$ |
| Current | | | | |
| <i>Secured</i> | | | | |
| Loan - Global SPV10 Pty Ltd (i) | 30/06/2019 | 6% | 953,838 | 925,490 |
| <i>Unsecured</i> | | | | |
| Loan - Global Clean Energy Finance (ii) | 30/06/2019 | 6% | 467,713 | 453,812 |
| Convertible Note - Global Clean Energy Finance Pty Ltd (iii) | 30/06/2019 | 6% | 1,702,233 | 1,753,522 |
| Premium Funding (Insurance) | 30/11/2019 | 7.90% | 14,031 | 10,101 |
| | | | <u>3,137,815</u> | <u>3,142,925</u> |

(i) the debt was assigned to Global SPV 10 Pty Ltd from Optima Funding. During the 2018 financial year, the interest rate was reduced to 6% and the expiry extended to 30 June 2019.

(ii) the debt was acquired by Global Clean Energy & Finance Pty Ltd from Lemarne Corporation.

(iii) 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.

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

Notes to the consolidated financial statements for the half-year ended 31 December 2018

10. Issued capital

| | Consolidated | |
|----------------------------------------------------------|---------------------------|-----------------------|
| | 31 December 2018 \$ | 30 June 2018 \$ |
| 13,738,082 (2017: 13,738,082) fully paid ordinary shares | 133,587,098 | 133,587,098 |

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

11. Contingent liabilities and contingent assets

In the opinion of the directors, the company did not have any contingent assets or liabilities at 31 December 2018 (31 December 2017: nil).

12. Subsidiary

| Name of entity | Country of incorporation | Ownership Interest | |
|----------------------------------|-----------------------------|--------------------|-----------|
| | | 2018 % | 2017 % |
| Mariner Asset Management Limited | Australia | 100 | 100 |

13. Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Mariner Corporation Limited and controlled entity

ABN 54 002 989 782

Directors' declaration

The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position as at 31 December 2018, and performance of the company for the half-year ended on this date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

Chairman
William Murfitt

Date: 28 February 2019

MARINER CORPORATION LIMITED
ABN 54 002 989 782
AND CONTROLLED ENTITY

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
OF MARINER CORPORATION LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
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Report on the Interim Financial Report

We have reviewed the accompanying half-year financial report of Mariner Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Interim Financial Report

The directors of Mariner Corporation Limited are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Mariner Corporation Limited's financial position as at 31 December 2018 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Mariner Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

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MARINER CORPORATION LIMITED
ABN 54 002 989 782
AND CONTROLLED ENTITY

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
MARINER CORPORATION LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

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Fx: (612) 9263 2800

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Mariner Corporation Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Mariner Corporation Limited's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) in the financial report which indicates that the company has incurred a cash outflows from operations of \$101,905 for the half year ended 31 December 2018 and, as of that date, the company's current liabilities exceeded its current assets by \$3,140,052. As stated in Note 2(c) these conditions, along with other matters as set forth in Note 2(c) indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

GRAHAM WEBB

Partner

Dated: 28 February 2019

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