

# **Mariner Corporation Limited and Controlled Entities**

**ABN 54 002 989 782**

**Annual report for the year ended 30 June 2020**

# Mariner Corporation Limited and Controlled Entities

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# Mariner Corporation Limited and Controlled Entities

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## Corporate Governance Statement

This corporate governance statement sets out Mariner Corporation Limited's (**Company**) current compliance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**). The ASX Principles and Recommendations are not mandatory. However, this corporate governance statement discloses the extent to which the Company has followed the ASX Principles and Recommendations. This corporate governance statement is current as at 24 September 2020 and has been approved by the board of the Company (**Board**).

| ASX Principles and Recommendations                                                          | Comply<br>(Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Lay solid foundations for management and oversight</b>                                |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>1.1. A listed entity should disclose:</b>                                                | Yes                | The Board is responsible for the corporate governance of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <i>(a) the respective roles and responsibilities of its board and management; and</i>       |                    | The Board has adopted a Board Charter which outlines the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws. Pursuant to the Board Charter, the Board assumes responsibilities including, but not limited to the following:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <i>(b) those matters expressly reserved to the board and those delegated to management.</i> |                    | <ul style="list-style-type: none"> <li>(a) overseeing the Company, including its control and accountability systems;</li> <li>(b) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Chief Operating Officer (or equivalent), the Chief Financial Officer (or equivalent), the Company Secretary and other senior management personnel;</li> <li>(c) ratifying the appointment, and where appropriate, the removal of, senior executives;</li> <li>(d) in conjunction with members of the senior management team, developing corporate objectives, budgets, strategies and operations plans and approving and appropriately monitoring plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;</li> <li>(e) establishing appropriate levels of delegation to the executive Directors, and other senior management personnel to allow them to manage the business efficiently;</li> <li>(f) monitoring actual performance against budgeted or planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;</li> <li>(g) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;</li> </ul> |

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| ASX Principles and Recommendations                                                                                                             | Comply<br>(Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                |                    | <p>(h) via management, identifying areas of significant business risk and ensuring that the Company is appropriately positioned to manage those risks;</p> <p>(i) overseeing the management of safety, occupational health and environmental matters;</p> <p>(j) once it is determined appropriate, forming committees (which may include an audit committee, remuneration committee and/or a nomination committee), and once committees are formed, appointing members to, and reviewing the composition of, those committees;</p> <p>(k) reviewing and approving accounting policies and principles to be adopted by the Company;</p> <p>(l) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review, and are prepared in accordance with the accounting policies approved by the Board for the period under review;</p> <p>(m) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately;</p> <p>(n) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;</p> <p>(o) overseeing and ensuring that the Company remains in compliance with its taxation, market disclosure and other regulatory obligations;</p> <p>(p) having a framework in place to ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and</p> <p>(q) reporting accurately to shareholders, on a timely basis;</p> <p>(r) until such Committees are established, performing the functions of the Audit Committee, Nomination Committee and Remuneration Committee.</p> <p>The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in Board discussions on a fully informed basis. The Company intends to regularly review the balance of responsibilities between the Board and management to ensure that the division of functions remains appropriate to the needs of the Company.</p> |
| <p>1.2. A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders</p> | Yes                | <p>The Company undertakes background checks with regards to the person's character, experience, education, criminal record and bankruptcy history prior to nomination for election as a director. Any material adverse information</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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| ASX Principles and Recommendations                                                                                                                                                                                      | Comply<br>(Yes/No) | Explanation                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>a candidate for election as a director; and</i><br><br><i>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</i> |                    | revealed by these checks is released to security holders prior to the general meeting at which they can be elected.<br><br>When an individual is nominated to be a director, their curriculum vitae with their relevant professional history and qualifications is circulated to the security holders of the Company. |
| <i>1.3. A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</i>                                                                         | Yes                | Directors and senior executives of the Company are given letters of appointment and/or service agreements prior to their engagement with the Company.                                                                                                                                                                 |
| <i>1.4. The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</i>                                     | Yes                | The Company Secretary was appointed by and is responsible to the Board through the Chairman. The Company Secretary co-ordinates the Board agenda.                                                                                                                                                                     |

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| ASX Principles and Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Comply (Yes/No)                           | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1.5. A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p> | <p>No</p> <p>Yes</p> <p>No</p> <p>N/A</p> | <p>The Company has adopted a Diversity Statement.</p> <p>A copy of the Diversity Statement is available on the Company's website at the following URL:<br/> <a href="http://www.marinercorporation.com.au/corporate-governance.html">http://www.marinercorporation.com.au/corporate-governance.html</a></p> <p>Given the size and stage of development of the business, the Company is yet to establish measurable objectives for achieving gender diversity and to assess annually both the objectives and progress in achieving them.</p> |
| <p>1.6. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>No</p> <p>No</p>                       | <p>Formal performance evaluations of the Board and senior executives have not been undertaken as the size does not warrant it at this stage.</p>                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>1.7. A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>No</p> <p>No</p>                       | <p>Formal performance evaluations of the Board and senior executives have not been undertaken as the size does not warrant it at this stage.</p>                                                                                                                                                                                                                                                                                                                                                                                            |

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| ASX Principles and Recommendations                                                                                                                                                                                                                                                                                                     | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>undertaken in the reporting period in accordance with that process.</i>                                                                                                                                                                                                                                                             |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>2. Structure the board to add value</b>                                                                                                                                                                                                                                                                                             |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>2.1. The board of a listed entity should:</b>                                                                                                                                                                                                                                                                                       |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (a) <i>have a nomination committee which:</i>                                                                                                                                                                                                                                                                                          | No              | Given the Company's current size and stage of development, the Company does not consider that it is practicable to have a separate nomination committee responsible for the appointment of Directors or to implement a corresponding nomination committee charter. The appointment of new Directors and undertakings of appropriate checks before appointment will be the responsibility of the entire Board. The Board will ensure that all material information to a decision on whether or not to elect or re-elect a Director is provided to security holders. |
| (1) <i>has at least three members, a majority of whom are independent directors; and</i>                                                                                                                                                                                                                                               |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (2) <i>is chaired by an independent director, and disclose:</i>                                                                                                                                                                                                                                                                        |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (3) <i>the charter of the committee;</i>                                                                                                                                                                                                                                                                                               |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (4) <i>the members of the committee; and</i>                                                                                                                                                                                                                                                                                           |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (5) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i>                                                                                                                                                     |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (b) <i>if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</i> | Yes             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>2.2. A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.</b>                                                                                                                                        | No              | The Board strives to ensure that it is comprised of Directors with a blend of skills, experience and attributes appropriate for the Company and its business. The skills and experience of the current directors is set out in the Company's 2020 Annual Report. Currently the Company has not developed a board skills matrix.                                                                                                                                                                                                                                    |
| <b>2.3. A listed entity should disclose:</b>                                                                                                                                                                                                                                                                                           |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (a) <i>the names of the directors considered by the board to be independent directors;</i>                                                                                                                                                                                                                                             | Yes             | The Board has reviewed the position and associations of each of the Directors in office and has determined that none of the current directors of the Company are considered independent.                                                                                                                                                                                                                                                                                                                                                                           |
| (b) <i>if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position,</i>                                                                                   | N/A             | In making this determination, the Board has had regard to the independence criteria in the ASX Principles and Recommendations, and other facts, information and circumstances that the Board considers relevant. The Board assesses the independence of new Directors upon appointment and reviews their independence, and the                                                                                                                                                                                                                                     |

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| Corporate Governance Statement                            |                                                                                                                                                                                                                                                               | Comply<br>(Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASX Principles and Recommendations                        |                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                           | <i>association or relationship in question and an explanation of why the board is of that opinion; and<br/>(c) the length of service of each director.</i>                                                                                                    | Yes                | independence of the other directors as appropriate.<br><br>The Company has disclosed the details of each Director (including their length of service) in the Company's 2020 Annual Report.                                                                                                                                                                                                                                                                                                  |
| 2.4.                                                      | <i>A majority of the board of a listed entity should be independent directors.</i>                                                                                                                                                                            | No                 | The Board considers none of the three Directors are independent Directors.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 2.5.                                                      | <i>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</i>                                                                                                | No                 | The Company's current Chairman is Mr William Murfitt who is not an independent director and is not the same person as the CEO.                                                                                                                                                                                                                                                                                                                                                              |
| 2.6.                                                      | <i>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</i> | Yes                | The Company has an induction programme for each new Director upon appointment. This includes meeting with members of the existing Board and other relevant executives to familiarise themselves with the Company, its procedures and prudential requirements, and Board practices and procedures.<br><br>On an ongoing basis, and subject to approval of the Chairman, Directors may request and undertake training and professional development, as appropriate, at the Company's expense. |
| <b>3. Promote ethical and responsible decision-making</b> |                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 3.1.                                                      | <i>A listed entity should:</i>                                                                                                                                                                                                                                |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                           | <i>(a) have a code of conduct for its directors, senior executives and employees; and</i>                                                                                                                                                                     | Yes                | The Board is committed to the establishment and maintenance of appropriate ethical standards in order to instil confidence in both clients and the community in the way the Company conducts its business. These standards are encapsulated in the Code of Conduct which outlines how the Company expects each person who represents it to behave and conduct business.                                                                                                                     |
|                                                           | <i>(b) disclose that code or a summary of it.</i>                                                                                                                                                                                                             | No                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>4. Safeguard integrity in financial reporting</b>      |                                                                                                                                                                                                                                                               |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 4.1.                                                      | <i>The board of a listed entity should:</i>                                                                                                                                                                                                                   |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                           | <i>(a) have an audit committee which:</i>                                                                                                                                                                                                                     |                    | The Company, considering its current size and stage of development, does not have a separately constituted audit committee.<br><br>The Company in general meetings is responsible for the appointment of external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.                                                                                                                                          |
|                                                           | <i>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</i>                                                                                                                          | No                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                           | <i>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</i>                                                                                                                                                            | No                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                           | <i>(3) the charter of the committee;</i>                                                                                                                                                                                                                      | No                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                           | <i>(4) the relevant qualifications and experience of the members of the committee; and</i>                                                                                                                                                                    | No                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |



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| ASX Principles and Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Comply (Yes/No)      | Explanation                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>                                                                                 | <p>No</p> <p>Yes</p> |                                                                                                                                                                                                                                                                                                       |
| <p>4.2. The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | Yes                  | The Company has received a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and comply with the proper standards.                                                                                                                         |
| <p>4.3. A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>                                                                                                                                                                                                                                                                                                                                                                                                   | Yes                  | An external auditor will be present at the AGM and be available to answer questions from security holders relevant to the audit.                                                                                                                                                                      |
| <b>5. Make timely and balanced disclosure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                                                                                                                                                                                                                                                                                                       |
| <p>5.1. A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>                                                                                                                                                                                                                                                                                                                                                                          | <p>Yes</p> <p>No</p> | <p>The Company is committed to providing timely, complete and accurate disclosure of information to allow a fair, and well-informed market in its securities and compliance with the continuous disclosure requirements imposed by law, including the Corporations Act and the ASX Listing Rules.</p> |
| <b>6. Respect the rights of shareholders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                      |                                                                                                                                                                                                                                                                                                       |
| <p>6.1. A listed entity should provide information about itself and its governance to investors via its website.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Yes                  | <p>The Company provides information about itself and its governance to its investors on the Company's website via the following URL:</p> <p><a href="http://www.marinercorporation.com.au/corporate-governance.html">http://www.marinercorporation.com.au/corporate-governance.html</a></p>           |

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| ASX Principles and Recommendations                                                                                                                                                   | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                      |                 | The Company will regularly update the website and contents therein as deemed necessary.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 6.2. <i>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</i>                                  | Yes             | The Company has a formal investor and media relations plan in place whereby the Company will provide regular news flow to keep investors and media updated and engaged.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 6.3. <i>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</i>                    | Yes             | <p>The Company has a formal shareholder communications policy in place whereby information will be communicated to shareholders through:</p> <ul style="list-style-type: none"> <li>(a) continuous disclosure of all relevant financial and other information to the ASX;</li> <li>(b) periodic disclosure through the annual report (or concise annual report), half year financial report and quarterly reporting of corporate activities;</li> <li>(c) notices of meetings and explanatory material;</li> <li>(d) the annual general meeting;</li> <li>(e) periodic newsletters or letters from the Chairman or Managing Director; and</li> <li>(f) publishing information on the Company's website at <a href="http://www.Marinercorporation.com/">www.Marinercorporation.com/</a>.</li> </ul> |
| 6.4. <i>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</i> | Yes             | The Company encourages shareholders to register for receipt of announcements and updates electronically.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>7. Recognise and manage risk</b>                                                                                                                                                  |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 7.1. <i>The Board of a listed entity should:</i>                                                                                                                                     |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (a) <i>have a committee or committees to oversee risk, each of which:</i>                                                                                                            |                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (1) <i>has at least three members, a majority of whom are independent directors; and</i>                                                                                             | No              | The Company, due to its size and current stage of development, does not have a separately constituted risk committee. As the Company develops, the Board intends to review its practices, and if deemed necessary, establish a risk committee.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (2) <i>is chaired by an independent director, and disclose:</i>                                                                                                                      | No              | The Board is currently responsible for the oversight and management of all material business risks. The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (3) <i>the charter of the committee;</i>                                                                                                                                             | No              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (4) <i>the members of the committee; and</i>                                                                                                                                         | No              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| (5) <i>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</i>   | No              | The risk profile can be expected to change and procedures adapted as the Company develops and it grows in size and complexity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| (b) <i>if it does not have a risk committee or committees that</i>                                                                                                                   | Yes             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

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## Corporate Governance Statement

| ASX Principles and Recommendations                                                                                                                                                                                                                                                                                                                                                                                                       | Comply (Yes/No)      | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</i>                                                                                                                                                                                                                                                                                                         |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>7.2. The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose in relation to each reporting period, whether such a review has taken place.</p>                                                                                                                                               | <p>No</p> <p>No</p>  | <p>The Company, due to its current size and stage of development, did not undertake a formal review of the Company's risk management framework during the reporting period.</p> <p>The Board is committed to reviewing the Risk Management policies of the Company in the future. However, the Board does not consider that disclosure of when these reviews takes place is necessary.</p>                                                                                                                                                                                                      |
| <p>7.3. A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>                                                           | <p>No</p> <p>Yes</p> | <p>The Company does not have an internal audit function, and does not disclose the processes it uses to improve risk management.</p> <p>Nonetheless, the Company remains committed to continually improving the effectiveness of its risk management and internal control processes through:</p> <p>(a) regular Board meetings;</p> <p>(b) annual reports by Management to the Board on the efficiency and effectiveness of risk management;</p> <p>(c) six-monthly external audits; and</p> <p>(d) rigorous appraisal of new investments and retaining advisers familiar with the Company.</p> |
| <p>7.4. A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>                                                                                                                                                                                                                            | Yes                  | <p>All material risks to economic, environmental and social sustainability risks will be announced to the market, in accordance with the requirements of the ASX Listing Rules and otherwise.</p>                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>8. Remunerate fairly and responsibly</b>                                                                                                                                                                                                                                                                                                                                                                                              |                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p>8.1. The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met</p> | No                   | <p>The Company does not have in place a separately constituted remuneration committee due to the size of current operations of the Company.</p> <p>The determination of a Director's remuneration is considered and determined by the Board (in the absence of that Director) having regards to the inputs and value to the Company of the contribution by that Director.</p> <p>The Board may award additional remuneration to Directors called upon to perform extra services or make special exertions on behalf of the Company</p>                                                          |

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Corporate Governance Statement

| ASX Principles and Recommendations                                                                                                                                                                                                                                                                                                                                                      | Comply (Yes/No) | Explanation                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>throughout the period and the individual attendances of the members at those meetings; or</i></p> <p>(b) <i>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</i></p> | Yes             |                                                                                                                                                                                                                                                                                                                                                                           |
| <p>8.2. <i>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i></p>                                                                                                                                                                 | Yes             | The Company has adopted a Remuneration Policy which outlines the remuneration of non-executive and executive directors.                                                                                                                                                                                                                                                   |
| <p>8.3. <i>A listed entity which has an equity-based remuneration scheme should:</i></p> <p>(a) <i>have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</i></p> <p>(b) <i>disclose that policy or a summary of it.</i></p>            | Yes             | The Company has a Securities Trading Policy that prohibits Key Management Personnel (including directors and the Company Secretary) from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements (or vested entitlements that remain subject to a holding lock) relating to any element of their remuneration. |

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

The directors of Mariner Corporation Limited ("the company") submit the annual report of the company and its controlled entities ("the group") at the end of, or during the financial year ended 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

| Name                 | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mr William Murfitt   | <p>Non-executive chairman (appointed 1 July 2014).</p> <p>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.</p> <p>Translease's loan volumes have grown to approximately \$100 million per annum, 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 &amp; Leasing acquiring experienced teams from the corporate banking sector.</p> <p>Interest in shares and options: 450,000 ordinary shares held indirectly.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Mr Mathew MacDougall | <p>Non-executive director (appointed 1 July 2014); (resigned 29 November 2019).</p> <p>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 &amp; Leasing.</p> <p>Global Rental and Leasing has assets under management in excess of \$250 million which have been accumulated over the last eight years.</p> <p>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</p> <p>Interest in shares and options: 450,000 ordinary shares held indirectly.</p> <p>Mr MacDougall resigned as a non-executive director on 29 November 2019.</p> |
| Mr Philip Barclay    | <p>Non-executive director (appointed 1 July 2014).</p> <p>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.</p> <p>Mr Barclay has been involved in a number of structured finance transactions and has been responsible for individual deals up to \$45 million. He has been very instrumental in the raising of Global Rental and Leasing's assets under management to \$250 million.</p> <p>Interest in shares and options: 450,000 ordinary shares held indirectly.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

Mr Kai Man Wong Non-executive director (appointed 29 November 2019).

Mr Wong is a highly experienced global Investment banking executive with over 20 years in corporate finance and executive management experience with listed companies in Hong Kong and New York. During his extensive career, Mr Wong has spent over 7 years in Baron International Financial Group, in Hong Kong, as Director of Baron Capital Limited, Head of China desk of Baron International (China) Limited in Beijing; and Director of Baron Capital (New York).

Mr Wong holds a Master of Business Administration from the University of Morduch. He is also the Managing Director of Mariner International Limited, a subsidiary of the group, incorporated in Hong Kong. Mr Wong, oversees the operations of the Asian and China business development and marketing activities of the group.

## Company secretary

Mr Adrian Olney held the position of company secretary of Mariner Corporation Limited during the financial year. He was appointed on 10 November 2010. Adrian Olney resigned as company secretary on 24 June 2020.

Adrian Olney has project and 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.

Mr Dean Jagger held the position of company secretary of Mariner Corporation Limited at the end of the financial year. He was appointed on 24 June 2020.

Dean Jagger works for the Automic Group and is an experienced company secretary, with a particular focus on small cap ASX listed companies across a number of sectors including software, media, biotechnology and mining.

## Remuneration of key management personnel

Information about the remuneration of key management personnel is set out in the remuneration report section of this directors' report. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

## Principal activities

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

- Investment activities
- Corporate actions

The company makes strategic investments in listed companies, unlisted companies and, working with management and shareholders to improve the value of its investments.

## Review of operations

The loss for the group after providing for income tax amounted to \$429,604 (2019 loss: \$17,570). The company has continued to reduce its operating and finance costs during the last 12 months whilst it explores new investment opportunities.

The group is in a positive net assets position at balance date of \$521,754 (2019 net liabilities: \$3,166,594). This is primarily due to an improved cash position and discharge of its loans.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

### Review of operations (cont'd)

During the financial year, the group was able to undertake and complete (with shareholder approval being obtained) a capital raising and restructure of debt, which significantly improved the financial position of the group. The capital raising and restructure of debt was announced on 5 July 2019, and consisted of the following features:

- The company raised \$2.4m (before costs) from Panshan Capital, a sophisticated investor, which resulted in 20,000,000 shares being issued at an issue price of \$0.12 (12 cents) per share.
- The terms of the existing convertible notes were amended (with shareholder approval) to increase the conversion price from \$0.03 (3 cents) to \$0.12 (12 cents) per share. The effect of this would be that upon conversion, the shares would be less dilutionary to existing shareholders of the company.
- The existing convertible noteholders agreed to sell their amended convertible notes to the investor, who then converted the amended convertible notes to shares, thereby ensuring that any debt related to the convertible notes was fully discharged.
- As a consequence of the placement and conversion of amended convertible notes, with shareholder approval, the investor acquired a significant interest in the company.

Mr Kaiman Wong, a nominee of the investor, was appointed to the Board of Directors, replacing Mr Matthew MacDougall, who resigned at completion of the capital raising.

Shareholder approval for the capital raising and restructure of debt was obtained on 26 November 2019, and the relevant transactions (and changes to the board) were completed on 29 November 2019.

With the group's financial position significantly improved, this has provided the group and its management the flexibility to focus on identifying and exploring growth opportunities.

The company implemented cost cutting initiatives during the period (to streamline its operations and also, mitigate against any potential impact of COVID-19 on its operations), with a view to set up the business for future opportunities by expanding the group's business network to neighbouring regions, including Asia.

### Dividends

There were no dividends paid or declared for the period ended 30 June 2020 (2019: nil). The directors have not made any recommendations for payment of dividends in respect of the financial year.

### Change in the state of affairs

As a diversified investments company, the group has remained committed to making strategic investments in companies and passive assets, which can deliver value for its shareholders. Whilst, the Board's strategy for the financial year has been impacted by COVID-19 and the need to keep costs low, the Board has been able to remain active in increasing its coverage of pre-investment opportunities.

Given the Board's local and international experience in the financial services and investments sector, the group, consistent with its strategy, established a regional overseas office in Hong Kong to increase the group's coverage of pre-investment opportunities, and provide pre-investment advisory services. This resulted in the group incorporating two wholly owned subsidiaries, Mariner Investments Limited and Mariner International Limited, incorporated in Hong Kong, during the financial year.

Mariner Corporation Limited holds 100% of the shareholding in Mariner Investments Limited.  
Mariner Investments Limited holds 100% of the shareholding in Mariner International Limited.

The outbreak of COVID-19 and the subsequent quarantine measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity.

As the situation remains fluid (due to evolving changes in government policy and evolving business and customer reactions thereto) as at the date these financial statements are authorised for issue, the directors of the company considered that the financial effects of COVID-19 on the group's consolidated financial statements cannot be reasonably estimated for future financial periods.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

### Change in the state of affairs (cont'd)

COVID-19 has presented challenges to the group's goals of identifying growth opportunities as a diversified investment company. Through these challenges, the group has focused on streamlining operations, implementing cost savings where possible and identifying cost effective ways to increase its investments.

Other than as noted above, there was no other significant change in the state of affairs of the group during the financial year.

### Meetings of directors

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director.

| Name of director     | Directors' meetings |                    |          |
|----------------------|---------------------|--------------------|----------|
|                      | Held                | Eligible to attend | Attended |
| Mr William Murfitt   | 5                   | 5                  | 5        |
| Mr Mathew MacDougall | 5                   | 1                  | 1*       |
| Mr Philip Barclay    | 5                   | 5                  | 5        |
| Mr Kai Man Wong      | 5                   | 4                  | 4**      |

\*resigned 29 November 2019

\*\*appointed 29 November 2019

### Subsequent events

On 13 July 2020, pursuant to the group's strategy, the group completed the establishment of its presence in the Hong Kong region by opening an office in the region to increase the group's coverage of pre-investment opportunities.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

### Future developments

Disclosure of information regarding likely developments in the operations of the group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the group. Accordingly, this information has not been disclosed in this report.

### Environmental regulations

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

### Share options

No options over issued shares or interests in the group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.



# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

### Remuneration report

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of Mariner Corporation Limited's key management personnel for the financial year ended 30 June 2020. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the group.

#### Key management personnel

The directors and other key management personnel of the group during or since the end of the financial year were:

| Name of director     | Position                                                                       |
|----------------------|--------------------------------------------------------------------------------|
| Mr William Murfitt   | Non-executive chairman (appointed 1 July 2014)                                 |
| Mr Mathew MacDougall | Non-executive director (appointed 1 July 2014);<br>(resigned 29 November 2019) |
| Mr Philip Barclay    | Non-executive director (appointed 1 July 2014)                                 |
| Mr Kai Man Wong      | Non-executive director (appointed 29 November 2019)                            |
| Mr Adrian Olney      | Company secretary (appointed 10 November 2010)<br>(resigned 24 June 2020)      |
| Mr Dean Jagger       | Company secretary (appointed 24 June 2020)                                     |

#### 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; and
  - 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.

#### Relationship between the remuneration policy and company performance

The tables below set out summary information about the group's earnings and movements in shareholder wealth for the five years to June 2020. As the table indicates, earnings have varied significantly over the past five financial years, due to the nature of activities. It has been the focus of the Board of Directors to attract and retain management personnel essential to continue investment activities.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

### Remuneration report (cont'd)

#### Relationship between the remuneration policy and company performance (cont'd)

|                                                    | 30 June 2020 | 30 June 2019 | 30 June 2018 | 30 June 2017 | 30 June 2016 |
|----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                                    | \$           | \$           | \$           | \$           | \$           |
| Revenue                                            | -            | 400,000      | 400,000      | 400,000      | 400,000      |
| Net loss before tax                                | (429,604)    | (17,570)     | (38,000)     | (242,721)    | (328,388)    |
| Net loss after tax                                 | (429,604)    | (17,570)     | (38,000)     | (242,721)    | (328,388)    |
| Share price at end of year                         | 0.100        | 0.047        | 0.028        | 0.050        | 0.042        |
| Basic and diluted loss per share (cents per share) | (1.27)       | (0.13)       | (0.30)       | (1.80)       | (2.40)       |

#### Key management personnel remuneration

Details of the remuneration of key management personnel of the group are set out in the following tables.

| 2020                                   | Short term employee benefits |                       | Post employment         |                      |                |                                                |                                                             |
|----------------------------------------|------------------------------|-----------------------|-------------------------|----------------------|----------------|------------------------------------------------|-------------------------------------------------------------|
|                                        | Salary and fees              | Short term cash bonus | Superannuation benefits | Share based payments | Total          | Proportion of remuneration performance related | Value of share based payments as proportion of remuneration |
|                                        | \$                           | \$                    | \$                      | \$                   | \$             | %                                              | %                                                           |
| <b>Non-executive directors:</b>        |                              |                       |                         |                      |                |                                                |                                                             |
| Mr W Murfitt                           | 23,333                       | -                     | 2,217                   | -                    | 25,550         | 0%                                             | 0%                                                          |
| Mr P Barclay                           | 23,333                       | -                     | 2,217                   | -                    | 25,550         | 0%                                             | 0%                                                          |
| Mr M MacDougall                        | -                            | -                     | -                       | -                    | -              | 0%                                             | 0%                                                          |
| Mr KM Wong                             | 94,026                       | -                     | 8,931                   | -                    | 102,957        | 0%                                             | 0%                                                          |
| <b>Other key management personnel:</b> |                              |                       |                         |                      |                |                                                |                                                             |
| Mr D Jagger                            | 1,000                        | -                     | -                       | -                    | 1,000          | 0%                                             | 0%                                                          |
| Mr A Olney                             | 24,000                       | -                     | -                       | -                    | 24,000         | 0%                                             | 0%                                                          |
| <b>Total</b>                           | <b>165,692</b>               | <b>-</b>              | <b>13,365</b>           | <b>-</b>             | <b>179,057</b> |                                                |                                                             |
| 2019                                   | Short term employee benefits |                       | Post employment         |                      |                |                                                |                                                             |
|                                        | Salary and fees              | Short term cash bonus | Superannuation benefits | Share based payments | Total          | Proportion of remuneration performance related | Value of share based payments as proportion of remuneration |
|                                        | \$                           | \$                    | \$                      | \$                   | \$             | %                                              | %                                                           |
| Mr W Murfitt                           | -                            | -                     | -                       | -                    | -              | 0%                                             | 0%                                                          |
| Mr P Barclay                           | -                            | -                     | -                       | -                    | -              | 0%                                             | 0%                                                          |
| Mr M MacDougall                        | -                            | -                     | -                       | -                    | -              | 0%                                             | 0%                                                          |
| <b>Other key management personnel:</b> |                              |                       |                         |                      |                |                                                |                                                             |
| Mr A Olney                             | 24,000                       | -                     | -                       | -                    | 24,000         | 0%                                             | 0%                                                          |
| <b>Total</b>                           | <b>24,000</b>                | <b>-</b>              | <b>-</b>                | <b>-</b>             | <b>24,000</b>  |                                                |                                                             |

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

### Remuneration report (cont'd)

#### Key management personnel remuneration (cont'd)

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 in relation to remuneration. during the year ended 30 June 2020 and up to the date of this report.

#### Number of shares held by key management personnel

The number of shares in the company held during the financial year by each director and other members of key management personnel of the group, is set out below:

| No of shares                                             |                         |       |           |                         |
|----------------------------------------------------------|-------------------------|-------|-----------|-------------------------|
|                                                          | Held at<br>30 June 2019 | Sales | Purchases | Held at<br>30 June 2020 |
| <b>Directors' indirect interests</b>                     |                         |       |           |                         |
| Mr W Murfitt                                             | 450,000                 | -     | -         | 450,000                 |
| Mr M Macdougall (i)                                      | 450,000                 | -     | -         | 450,000                 |
| Mr P Barclay                                             | 450,000                 | -     | -         | 450,000                 |
| Mr K Wong                                                | -                       | -     | -         | -                       |
| <b>Other key management personnel indirect interests</b> |                         |       |           |                         |
| Mr A Olney (ii)                                          | 23,215                  | -     | -         | 23,215                  |
| Mr D Jagger                                              | -                       | -     | -         | -                       |

(i) Mr M Macdougall resigned 29 November 2019

(ii) Mr A Olney resigned 24 June 2020

#### Loans to key management personnel

There were no loans to key management personnel at any time during the current or prior financial year.

This concludes the remuneration report, which has been audited.

### Indemnification and insurance of directors and officers.

During the financial year. Mariner Corporation Limited paid a premium of \$15,000 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.

The company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred such as an officer or auditor.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Directors' report

### 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.

### Auditor's independence declaration

The auditor's independence declaration is included on page 19 of the annual report.

### Non-audit services

Hall Chadwick is the company's auditor. During the year, they have not performed any other services in addition to their statutory duties. Details of the amount paid to the auditors are disclosed in Note 21 to the consolidated financial statements.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

Director: .....

William Murfitt

Dated: 25 September 2020



**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  
CONTROLLED ENTITIES**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Mariner Corporation Limited. As the lead audit partner for the audit of the financial report of Mariner Corporation Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, 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.

*Nat Chadwick*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*Graham Webb*

**GRAHAM WEBB**  
Partner  
Date: 25 September 2020

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# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2020

|                                                                   | Note | 2020<br>\$          | 2019<br>\$          |
|-------------------------------------------------------------------|------|---------------------|---------------------|
| Rental income                                                     | 3    | -                   | 400,000             |
| Debt forgiveness                                                  | 4    | 229,520             | -                   |
| Net change in fair value of financial assets                      |      | (3,631)             | (2,368)             |
| Unrealised loss on foreign exchange transactions                  |      | (4,494)             | -                   |
| Depreciation expense                                              | 5    | (4,587)             | -                   |
| Employee benefits expense                                         | 5    | (208,892)           | -                   |
| Administration and office costs                                   |      | (47,765)            | (79,473)            |
| Consulting expenses                                               |      | (89,178)            | -                   |
| Finance costs                                                     | 5    | (81,952)            | (189,334)           |
| Professional fees and investment costs                            |      | (218,625)           | (146,395)           |
| <b>Loss before tax</b>                                            |      | <b>(429,604)</b>    | <b>(17,570)</b>     |
| Income tax expense                                                | 6    | -                   | -                   |
| <b>Loss for the year</b>                                          |      | <b>(429,604)</b>    | <b>(17,570)</b>     |
| <b>Item that may be reclassified to profit or loss:</b>           |      |                     |                     |
| Foreign exchange differences on translation of foreign operations |      | 135                 | -                   |
| <b>Other comprehensive income for the year, net of tax</b>        |      | <b>135</b>          | <b>-</b>            |
| <b>Total comprehensive loss for the year</b>                      |      | <b>(429,469)</b>    | <b>(17,570)</b>     |
| <b>Loss per share (Note 16)</b>                                   |      |                     |                     |
| Basic (cents per share)                                           | 16   | <b>(1.27) cents</b> | <b>(0.13) cents</b> |
| Diluted (cents per share)                                         | 16   | <b>(1.27) cents</b> | <b>(0.13) cents</b> |

The accompanying notes form part of these financial statements.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Consolidated statement of financial position as at 30 June 2020

|                                      | Note  | 2020<br>\$     | 2019<br>\$         |
|--------------------------------------|-------|----------------|--------------------|
| <b>Assets</b>                        |       |                |                    |
| <b>Current assets</b>                |       |                |                    |
| Cash and cash equivalents            | 19(a) | 580,973        | 13,874             |
| Other receivables                    | 8     | 2,851          | 1,321              |
| Other assets                         | 9     | 22,875         | -                  |
| Financial assets                     | 10    | 710            | 4,341              |
| <b>Total current assets</b>          |       | <b>607,409</b> | <b>19,536</b>      |
| <b>Non-current assets</b>            |       |                |                    |
| Right of use assets                  | 11    | 104,155        | -                  |
| <b>Total non-current assets</b>      |       | <b>104,155</b> | <b>-</b>           |
| <b>Total assets</b>                  |       | <b>711,564</b> | <b>19,536</b>      |
| <b>Liabilities</b>                   |       |                |                    |
| <b>Current liabilities</b>           |       |                |                    |
| Trade and other payables             | 12    | 85,176         | 42,236             |
| Lease liabilities                    | 13    | 50,444         | -                  |
| Borrowings                           | 14    | -              | 3,143,894          |
| <b>Total current liabilities</b>     |       | <b>135,620</b> | <b>3,186,130</b>   |
| <b>Non-current liabilities</b>       |       |                |                    |
| Lease liabilities                    | 13    | 54,190         | -                  |
| <b>Total non-current liabilities</b> |       | <b>54,190</b>  | <b>-</b>           |
| <b>Total liabilities</b>             |       | <b>189,810</b> | <b>3,186,130</b>   |
| <b>Net assets</b>                    |       | <b>521,754</b> | <b>(3,166,594)</b> |
| <b>Equity</b>                        |       |                |                    |
| Issued capital                       | 15    | 137,704,915    | 133,587,098        |
| Reserves                             | 17    | 135            | -                  |
| Accumulated losses                   |       | (137,183,296)  | (136,753,692)      |
| <b>Total equity</b>                  |       | <b>521,754</b> | <b>(3,166,594)</b> |

The accompanying notes form part of these financial statements.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Consolidated statement of changes in equity for the year ended 30 June 2020

|                                         | Issued<br>capital<br>\$ | Reserves<br>\$ | Accumulated<br>losses<br>\$ | Total<br>\$        |
|-----------------------------------------|-------------------------|----------------|-----------------------------|--------------------|
| <b>Balance at 1 July 2018</b>           | <b>133,587,098</b>      | -              | <b>(136,736,122)</b>        | <b>(3,149,024)</b> |
| Loss for the year                       | -                       | -              | (17,570)                    | (17,570)           |
| Total comprehensive loss for the year   | -                       | -              | (17,570)                    | (17,570)           |
| <b>Balance at 30 June 2019</b>          | <b>133,587,098</b>      | -              | <b>(136,753,692)</b>        | <b>(3,166,594)</b> |
| <b>Balance at 1 July 2019</b>           | <b>133,587,098</b>      | -              | <b>(136,753,692)</b>        | <b>(3,166,594)</b> |
| Loss for the year                       | -                       | -              | (429,604)                   | (429,604)          |
| Other comprehensive income for the year | -                       | 135            | -                           | 135                |
| Total comprehensive loss for the year   | -                       | -              | (429,604)                   | (429,604)          |
| <i>Transactions with owners</i>         |                         | -              |                             |                    |
| Issued shares (refer Note 15)           | 4,117,817               | -              | -                           | 4,117,817          |
| <b>Balance at 30 June 2020</b>          | <b>137,704,915</b>      | <b>135</b>     | <b>(137,183,296)</b>        | <b>521,754</b>     |

The accompanying notes form 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 2020

|                                                           | Note  | 2020<br>\$       | 2019<br>\$       |
|-----------------------------------------------------------|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>               |       |                  |                  |
| Payments to suppliers and employees                       |       | (550,290)        | (171,127)        |
| <b>Net cash used in operating activities</b>              | 19(b) | <b>(550,290)</b> | <b>(171,127)</b> |
| <b>Cash flows from investing activities</b>               |       |                  |                  |
| <b>Net cash used in investing activities</b>              |       | -                | -                |
| <b>Cash flows from financing activities</b>               |       |                  |                  |
| Proceeds from borrowings                                  |       | 107,000          | 175,000          |
| Repayment of borrowings                                   |       | (1,385,087)      | (6,079)          |
| Proceeds from issue of shares                             |       | 2,400,000        | -                |
| Interest expense - leases                                 |       | (422)            | -                |
| Repayment of leases                                       |       | (4,102)          | -                |
| <b>Net cash generated by investing activities</b>         |       | <b>1,117,389</b> | <b>168,921</b>   |
| Net increase/(decrease) in cash and cash equivalents held |       | 567,099          | (2,206)          |
| Cash and cash equivalents at the beginning of the year    |       | 13,874           | 16,080           |
| <b>Cash and cash equivalents at the end of the year</b>   | 19(a) | <b>580,973</b>   | <b>13,874</b>    |

The accompanying notes form part of these financial statements.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 1. General information

Mariner Corporation Limited (the “company”) is a listed public company, incorporated and operating in Australia.

The address of the company’s registered office and principal place of business is as follows:

Level 9, 32 Walker Street  
North Sydney NSW 2060

For the purposes of preparing the financial statements, the group is a for-profit entity.

The financial statements were authorised for issue by the directors on 25 September 2020.

### 2. Significant accounting policies

#### Basis of preparation

These general purpose financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards), the *Corporations Act 2001*, Australian Accounting Standards and comply with other requirements of the law.

The consolidated financial statements have been prepared on the basis of historical cost except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of AASB 16 ‘Leases’, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 ‘Inventories’ or value in use in AASB 136 ‘Impairment of Assets’.

The principal accounting policies are set out below.

#### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and the entities controlled by the company (its subsidiary) made up to 30 June each year. Control is achieved when the company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (a) Basis of consolidation (cont'd)

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the company gains control until the date when the company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

#### (b) Revenue recognition

Revenue recognised for participating interest in rental assets is brought to account over time, on a straight-line basis over 5 years. Revenue is measured based on the consideration to which the company expects to be entitled.

#### (c) Taxation

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (c) Taxation (cont'd)

##### Deferred tax (cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax assets and liabilities on a net basis.

##### Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### (d) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash at banks and on hand, demand deposits and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

#### (f) Financial instruments

Financial assets and financial liabilities are recognised in the group's consolidated statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (f) Financial instruments (cont'd)

##### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at amortised cost.

##### Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

The group's financial assets at amortised cost includes receivables.

The group's financial assets at FVTPL includes shares in other listed entities.

##### Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

##### Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL.

Specifically:

- Investments in equity instruments are classified as at FVTPL
- Debt instruments that do not meet the amortised cost criteria are classified at FVTPL.

In addition, debt instruments that meet the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

##### Impairment of financial assets

The group recognises a loss allowance for expected credit losses on receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (f) Financial instruments (cont'd)

##### Financial assets (cont'd)

###### Impairment of financial assets (cont'd)

The group always recognises lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

During the 2020, no impairment of receivables has been recorded (2019: \$nil).

###### *(i) Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

###### *(ii) Definition of default*

The group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the group, in full (without taking into account any collateral held by the group).

###### *(iii) Write-off policy*

The group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (f) Financial instruments (cont'd)

##### Financial assets (cont'd)

###### Impairment of financial assets (cont'd)

###### *(v) Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive, discounted at the original effective interest rate.

If the group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

###### Derecognition of financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

##### Financial liabilities

###### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables and, loans and borrowings.

###### Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

###### Interest

Interest paid is classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (f) Financial instruments (cont'd)

##### Financial liabilities (cont'd)

###### Derecognition of financial liabilities

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### (g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

#### (h) Foreign currencies

For the purpose of the financial statements, the results and financial position of the company is expressed in Australian Dollars ('AUD'), which is also the functional currency of Mariner Corporation Limited, and the presentation currency for the consolidated financial statements. The functional currency of the company and each of its subsidiaries represents the currency of the primary economic environment in which each respective entity operates.

In preparing the financial statements of the group, transactions in currencies other than the group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions.

At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.



# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (i) Critical accounting judgments and key sources of estimation uncertainty

In the application of the group'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

##### Fair value of its financial assets

During the year ended 30 June 2020, management reassessed its estimates in respect of the fair value of its financial assets (Note 10).

##### Deferred tax assets

The company has determined that it is not probable that it will derive sufficient taxable income in the near future to recover the tax losses and as a result they have not been recognised as deferred tax assets as of 30 June 2020 financial year.

#### (j) Going concern

The consolidated net loss of the group, after tax was \$429,604 (2019: loss \$17,570), with cash outflows from operating activities of \$550,290 (2019: cash outflows \$171,127). However, at 30 June 2020, the group had a working capital surplus of \$471,789 (2019: working capital deficit \$3,166,594).

The company has continued to review new investment opportunities since 30 June 2020 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 group raised \$2.4 million, via a placement ("capital raising") in November 2019;
- at completion of the capital raising in November 2019, the group fully discharged its existing loans, which has placed the group in a significantly improved financial position;
- has a cash balance of \$580,973 as of the date of this report to meet its expenses over the next twelve months.

The directors continue to seek investment opportunities and currently have a number of investment proposals under consideration.

When undertaking the going concern assessment, management of the company have considered the impacts of the COVID-19 pandemic on immediate and long-term financial performance and cash flows, and are satisfied that the company has sufficient liquidity to continue as a going concern for at least 12 months from the date of signing this report.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (k) Leases

##### *(a) The company as lessee*

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones).

For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (k) Leases (cont'd)

##### (a) *The company as lessee (cont'd)*

The company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in profit or loss

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### (m) Adoption of new and revised Accounting Standards

In the current year, the group has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for the current annual reporting period. There has been no material impact of these changes on the group's accounting policies.

### New and amended Accounting Standards that are effective for the current year

#### Impact of AASB 16 Leases

AASB 16 Leases ("AASB 16") introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

There were no leases on adoption of AASB 16.

During the current year, the group entered into a new lease arrangement for its Hong Kong office, which has resulted in the recognition of a right-of-use asset and a lease liability at the commencement of the lease.

### Other pronouncements adopted for the first time in the current year

#### AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle

The group has adopted the amendments included in AASB 2018-1 for the first time in the current year. The Standard include amendments to two applicable Standards:

- *AASB 112 Income Taxes* – The amendments clarify that the group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 2. Significant accounting policies (cont'd)

#### (I) Adoption of new and revised Accounting Standards (cont'd)

##### Other pronouncements adopted for the first time in the current year (cont'd)

##### Interpretation 23 Uncertainty over Income Tax Treatments

The group has adopted Interpretation 23 for the first time in the current year. Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the group to:

- Determine whether uncertain tax positions are assessed separately or as a group;
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the group should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; or
  - If no, the group should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

The adoption of Interpretation 23 has not had an impact on the group's tax position. The group does not have uncertainty over its income tax treatments.

##### Standards and Interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below:

| Standard/Interpretation                                                                                                                         | Effective for annual reporting periods beginning on or after | Expected to be initially applied in the financial year ending |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------|
| AASB 2018-6 <i>Amendments to Australian Accounting Standards - Definition of a Business</i>                                                     | 1 July 2020                                                  | 30 June 2020                                                  |
| AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>                                                       | 1 July 2020                                                  | 30 June 2021                                                  |
| AASB 2019-1 <i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i>                                       | 1 July 2020                                                  | 30 June 2021                                                  |
| AASB 2019-3 <i>'Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform'</i>                                             | 1 July 2020                                                  | 30 June 2021                                                  |
| AASB 2019-5 <i>'Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia'</i> | 1 July 2020                                                  | 30 June 2021                                                  |
| AASB 2020-1 <i>'Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current'</i>                    | 1 July 2021                                                  | 30 June 2022                                                  |

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

| 2020 | 2019 |
|------|------|
| \$   | \$   |

### 3. Revenue

Rental income

|                                                       |   |         |
|-------------------------------------------------------|---|---------|
| Participating interest in equipment rental assets (i) | - | 400,000 |
|-------------------------------------------------------|---|---------|

(i) As at 30 June 2019, the company's acquired participating interest arrangement in Global Rental and Leasing Pty Ltd Joint Venture ceased.

### 4. Debt forgiveness

During the year ended 30 June 2020, there was \$229,520 of debt that was forgiven with respect of a convertible note and loans provided by Global Clean Energy Finance Pty Ltd.

| 2020 | 2019 |
|------|------|
| \$   | \$   |

### 5. Loss for the year

Loss for the year has been arrived at after charging:

|                                            |       |   |
|--------------------------------------------|-------|---|
| Depreciation expense - right of use assets | 4,587 | - |
|--------------------------------------------|-------|---|

*Employee benefits expense:*

|                    |         |   |
|--------------------|---------|---|
| Salaries and wages | 190,769 | - |
|--------------------|---------|---|

|                |        |   |
|----------------|--------|---|
| Superannuation | 18,123 | - |
|----------------|--------|---|

|                |          |
|----------------|----------|
| <b>208,892</b> | <b>-</b> |
|----------------|----------|

*Finance costs:*

|                                                        |        |         |
|--------------------------------------------------------|--------|---------|
| Interest on liabilities measured at amortised cost (a) | 81,530 | 189,334 |
|--------------------------------------------------------|--------|---------|

|                           |     |   |
|---------------------------|-----|---|
| Interest expense - leases | 422 | - |
|---------------------------|-----|---|

|               |                |
|---------------|----------------|
| <b>81,952</b> | <b>189,334</b> |
|---------------|----------------|

(a) Interest expense represents interest accrued on vendor finance from Global Rental & Leasing and on the loan from Global SPV10 Pty Ltd. Global Clean Energy & Finance Pty Ltd and Global SPV10 Pty Ltd are related parties and discussed further at Note 14(b).

| 2020 | 2019 |
|------|------|
| \$   | \$   |

### 6. Income taxes

#### (a) Income tax expense

Income tax expense comprises:

|             |   |   |
|-------------|---|---|
| Current tax | - | - |
|-------------|---|---|

|              |           |         |
|--------------|-----------|---------|
| Deferred tax | (197,737) | (5,271) |
|--------------|-----------|---------|

|                                    |         |       |
|------------------------------------|---------|-------|
| Deferred tax assets not recognised | 197,737 | 5,271 |
|------------------------------------|---------|-------|

|                          |   |   |
|--------------------------|---|---|
| Total income tax expense | - | - |
|--------------------------|---|---|

The prima facie income tax expense in the consolidated statement of profit or loss and other comprehensive income is as follows:

|                                                   |           |          |
|---------------------------------------------------|-----------|----------|
| Loss before income tax from continuing operations | (429,604) | (17,570) |
|---------------------------------------------------|-----------|----------|

|                                                  |           |         |
|--------------------------------------------------|-----------|---------|
| Income tax expense calculated at 30% (2019: 30%) | (128,881) | (5,271) |
|--------------------------------------------------|-----------|---------|

|                                       |          |  |
|---------------------------------------|----------|--|
| Less tax effect of non-taxable income | (68,856) |  |
|---------------------------------------|----------|--|

|                                    |         |       |
|------------------------------------|---------|-------|
| Deferred tax assets not recognised | 197,737 | 5,271 |
|------------------------------------|---------|-------|

|                          |   |   |
|--------------------------|---|---|
| Total income tax expense | - | - |
|--------------------------|---|---|

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 7. 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 165A of the *Income Tax Assessment Act 1997*.

|                                                                                                                                             | 2020<br>\$        | 2019<br>\$        |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences @ 30% tax losses | <u>35,156,503</u> | <u>34,958,766</u> |

The taxation benefits will only be obtained if:

- 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;
- the company complies with the conditions for deductibility imposed by the law, including satisfaction of the continuity of ownership and/or same business test; and
- no changes in tax legislation adversely affect the company in realising the benefits from the deductions for the loss.

|  | 2020<br>\$ | 2019<br>\$ |
|--|------------|------------|
|--|------------|------------|

### 8. Other receivables

#### Current

|               |              |              |
|---------------|--------------|--------------|
| Other debtors | <u>2,851</u> | <u>1,321</u> |
|---------------|--------------|--------------|

The group has considered the impact of COVID 19 on the expected credit losses (ECL) for its other debtors and note there is no material impact.

|  | 2020<br>\$ | 2019<br>\$ |
|--|------------|------------|
|--|------------|------------|

### 9. Other assets

|             |               |          |
|-------------|---------------|----------|
| Prepayments | <u>22,875</u> | <u>-</u> |
|-------------|---------------|----------|

### 10. Financial assets

#### Current

|                                                                             |            |              |
|-----------------------------------------------------------------------------|------------|--------------|
| Investment in listed shares - fair value through profit or loss (FVTPL) (a) | <u>710</u> | <u>4,341</u> |
|-----------------------------------------------------------------------------|------------|--------------|

(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. The fair value of the financial assets are classified as Level 1 and was derived from quoted prices for that financial instrument. There were no financial instruments that are measured at amortised cost but for which fair value was disclosed classified as Level 3 either in current year or in prior year.

|                          | 2020<br>\$     | 2019<br>\$ |
|--------------------------|----------------|------------|
| 11. Right of use assets  |                |            |
| Leased property          | 108,742        | -          |
| Accumulated depreciation | (4,587)        | -          |
|                          | <u>104,155</u> | <u>-</u>   |

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

|                                      | 2020<br>\$    | 2019<br>\$    |
|--------------------------------------|---------------|---------------|
| <b>12. Trade and other payables</b>  |               |               |
| <b>Current</b>                       |               |               |
| <i>Unsecured liabilities</i>         |               |               |
| Trade payables                       | 12,211        | 4,736         |
| Sundry payables and accrued expenses | 72,965        | 37,500        |
|                                      | <b>85,176</b> | <b>42,236</b> |

## 13. Lease liabilities

### Current

|                   |               |   |
|-------------------|---------------|---|
| Lease liabilities | <b>50,444</b> | - |
|-------------------|---------------|---|

### Non-current

|                   |               |   |
|-------------------|---------------|---|
| Lease liabilities | <b>54,190</b> | - |
|-------------------|---------------|---|

On 1 June 2020, Mariner International Limited entered into a 2-year lease for two units in Hong Kong. As a result, a lease liability and right-of-use asset has been recognised at 30 June 2020.

The total cash outflow for the repayment of leases, for the current year, amounted to \$4,524.

The estimated future cash outflows to which the group is exposed in respect of this contract are payments of approximately \$54,720 for the first year, and \$55,278 for the second year.

There are no extension or termination options on the lease.

## 14. Borrowings

|                                                              | Expiry date | Nominal<br>interest rate | 2020<br>\$ | 2019<br>\$       |
|--------------------------------------------------------------|-------------|--------------------------|------------|------------------|
| <b>Current</b>                                               |             |                          |            |                  |
| <i>Secured</i>                                               |             |                          |            |                  |
| Loan - Global SPV10 Pty Ltd (i)                              | 31/12/2019  | 6%                       | -          | 982,733          |
| <i>Unsecured</i>                                             |             |                          |            |                  |
| Loan - Global Clean Energy Finance (ii)                      | 31/12/2019  | 6%                       | -          | 481,881          |
| Convertible Note - Global Clean Energy Finance Pty Ltd (iii) | 31/12/2019  | 6%                       | -          | 1,675,257        |
| Premium Funding (Insurance)                                  | 31/12/2019  | 7.90%                    | -          | 4,023            |
|                                                              |             |                          | <b>-</b>   | <b>3,143,894</b> |

On 5 July 2019, the company announced that it had raised \$2.4 million, via a placement, and also restructured its existing convertible notes and loans, which resulted in these liabilities being fully discharged ("capital raising").

|                                                                              | 2020<br>\$         | 2019<br>\$         |
|------------------------------------------------------------------------------|--------------------|--------------------|
| <b>15. Issued capital</b>                                                    |                    |                    |
| Balance at the beginning of the year (13,738,082 fully paid ordinary shares) | 133,587,098        | 133,587,098        |
| Shares issued during the year                                                | 4,117,817          | -                  |
| Balance at the end of the year (48,053,222 fully paid ordinary shares)       | <b>137,704,915</b> | <b>133,587,098</b> |

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

|                                          | 2020                     | 2019                     |
|------------------------------------------|--------------------------|--------------------------|
| <b>15. Issued capital (cont'd)</b>       |                          |                          |
|                                          | <b>No. of<br/>shares</b> | <b>No. of<br/>shares</b> |
| <b>Ordinary shares</b>                   |                          |                          |
| At the beginning of the reporting period | 13,738,082               | 13,738,082               |
| Shares issued during the period (i)      | 20,000,000               | -                        |
| Shares issued during the period (ii)     | 14,315,140               | -                        |
| At the end of the reporting period       | <b>48,053,222</b>        | <b>13,738,082</b>        |

(i) During the year ended 30 June 2020, the company completed the placement of 20 million ordinary shares at an issue price of \$0.12 (12 cents) per share, raising \$2.4 million. Part of the funds received were used to fully discharge existing debts.

(ii) During the year ended 30 June 2020, the company completed the restructure of its existing debt, which has resulted in convertible notes being converted into 14,315,140 fully paid ordinary shares at a deemed issue price of \$0.12 (12 cents) per share.

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

## 16. Loss per share

|                           | 2020<br>\$   | 2019<br>\$   |
|---------------------------|--------------|--------------|
| Basic (cents per share)   | (1.27) cents | (0.13) cents |
| Diluted (cents per share) | (1.27) cents | (0.13) cents |

The calculation of basic loss per share at 30 June 2020 was based on the loss of \$429,604 (2019: loss of \$17,570) and a weighted average number of ordinary shares outstanding of 33,857,096 (2019: 13,738,082 shares), calculated as follows:

|                                                                     | 2020<br>\$        | 2019<br>\$        |
|---------------------------------------------------------------------|-------------------|-------------------|
| Net loss for the year                                               | (429,604)         | (17,570)          |
| <i>Weighted average number of ordinary shares (basic) in shares</i> |                   |                   |
| Issued ordinary shares at the beginning of the year                 | 13,738,082        | 13,738,082        |
| Weighted effect of shares issued                                    | 20,119,014        | -                 |
| Weighted average number of ordinary shares at the end of the year   | <b>33,857,096</b> | <b>13,738,082</b> |

There is no distinction between the basic loss per share and the diluted loss per share as the group has generated a loss for the year.

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.

|                                                                          | 2020<br>\$ | 2019<br>\$ |
|--------------------------------------------------------------------------|------------|------------|
| <b>17. Reserves</b>                                                      |            |            |
| Foreign currency translation reserve                                     |            |            |
| Balance at 1 July                                                        | -          | -          |
| Exchange differences on translating the net assets of foreign operations | 135        | -          |
| Balance at 30 June                                                       | <b>135</b> | <b>-</b>   |

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.



# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 18. Contingent liabilities and contingent assets

In the opinion of the directors, the company did not have any contingent assets or liabilities at 30 June 2020 (2019: nil).

### 19. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. 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:

#### (a) Reconciliation of cash

|                          | 2020<br>\$     | 2019<br>\$    |
|--------------------------|----------------|---------------|
| Cash at bank and on hand | <u>580,973</u> | <u>13,874</u> |

#### (b) Reconciliation of loss for the year to net cash flows from operating activities

|                                                                     | 2020<br>\$              | 2019<br>\$              |
|---------------------------------------------------------------------|-------------------------|-------------------------|
| Loss for the year                                                   | (429,604)               | (17,570)                |
| <i>Non-cash flows in loss:</i>                                      |                         |                         |
| Unrealised loss on financial assets                                 | 3,760                   | 2,368                   |
| Depreciation expense                                                | 4,587                   | -                       |
| Debt forgiveness                                                    | (229,520)               | -                       |
| Income from participating interest in rental assets                 | -                       | (400,000)               |
| Management fees relating to participating interest in rental assets | -                       | 42,714                  |
| Accrued interest                                                    | 81,530                  | 189,334                 |
| Interest - leases                                                   | 422                     | -                       |
| <i>Changes in assets and liabilities:</i>                           |                         |                         |
| (Increase)decrease in other receivables                             | (1,530)                 | 11,110                  |
| (Increase) in other assets                                          | (22,875)                | -                       |
| Increase in trade and other payables                                | 42,940                  | 917                     |
| <b>Net cash flows used in operating activities</b>                  | <u><b>(550,290)</b></u> | <u><b>(171,127)</b></u> |

### 20. Related party transactions and balances

#### Remuneration of key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

|                              | 2020<br>\$     | 2019<br>\$    |
|------------------------------|----------------|---------------|
| Short term employee benefits | 165,692        | 24,000        |
| Post employee benefits       | 13,365         | -             |
|                              | <u>179,057</u> | <u>24,000</u> |

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 20. Related party transactions and balances (cont'd)

#### (a) Individual directors' and executives' 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

The following interest was paid/payable to related parties:

|                                                        | 2020<br>\$ | 2019<br>\$ |
|--------------------------------------------------------|------------|------------|
| <b>Interest paid/payable</b>                           |            |            |
| Loan - Global SPV 10 Pty Ltd                           | 57,243     | 57,243     |
| Vendor Finance - Global Clean Energy & Finance Pty Ltd | 42,559     | 132,091    |

#### (c) Related party balances

|                                      |   |   |
|--------------------------------------|---|---|
| Related party receivables/(payables) | - | - |
|--------------------------------------|---|---|

### 21. Auditors' remuneration

|                                          |        |        |
|------------------------------------------|--------|--------|
| Audit and review of the financial report | 44,000 | 60,000 |
|------------------------------------------|--------|--------|

The auditor of Mariner Corporation Limited is Hall Chadwick.

During the year, the auditor has not performed any other services in addition to their statutory duties.

### 22. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the subsidiaries below, in accordance with the accounting policy described in note 2:

| Name of entity                   | Country of incorporation | Principal activity | Ownership Interest | Ownership Interest |
|----------------------------------|--------------------------|--------------------|--------------------|--------------------|
|                                  |                          |                    | 2020<br>%          | 2019<br>%          |
| Mariner Asset Management Limited | Australia                | Dormant            | 100                | 100                |
| Mariner Investments Limited*     | British Virgin Islands   | Holding company    | 100                | -                  |
| Mariner International Limited**  | Hong Kong                | Investments        | 100                | -                  |

\*Mariner Investments Limited and Mariner International Limited were incorporated on 14 May 2020.

\*\*Mariner International Limited is 100% owned by Mariner Investments Limited.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 23. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 2 for a summary of the significant accounting policies relating to the group.

|                                                               | 2020<br>\$              | 2019<br>\$                |
|---------------------------------------------------------------|-------------------------|---------------------------|
| <b>Statement of financial position</b>                        |                         |                           |
| <b>Assets</b>                                                 |                         |                           |
| Current assets                                                | 614,132                 | 19,536                    |
| Non-current assets                                            | -                       | -                         |
| Total assets                                                  | <u>614,132</u>          | <u>19,536</u>             |
| <b>Liabilities</b>                                            |                         |                           |
| Current liabilities                                           | 81,907                  | 3,186,130                 |
| Non-current liabilities                                       | -                       | -                         |
| Total liabilities                                             | <u>81,907</u>           | <u>3,186,130</u>          |
| <b>Net assets/(liabilities)</b>                               | <u><b>532,225</b></u>   | <u><b>(3,166,594)</b></u> |
| <b>Equity</b>                                                 |                         |                           |
| Issued capital                                                | 137,704,915             | 133,587,098               |
| Accumulated losses                                            | (137,172,690)           | (136,753,692)             |
| Total equity                                                  | <u><b>532,225</b></u>   | <u><b>(3,166,594)</b></u> |
| <b>Net loss attributable to equity holders of the company</b> | (418,998)               | (17,570)                  |
| Other comprehensive income                                    | -                       | -                         |
| <b>Total comprehensive loss for the year</b>                  | <u><b>(418,998)</b></u> | <u><b>(17,570)</b></u>    |

#### **Contingent liabilities**

The parent entity did not have any contingent liabilities as at 30 June 2020 (2019: nil).

#### **Capital commitments - property, plant and equipment**

The parent entity did not have any capital commitments as at 30 June 2020 (2019: nil).

### 24. Operating segments

The Board assesses the financial performance and position of the group and makes strategic decisions. The Board, which is led by the CODM (Chief Operating Decision Maker), consists of the non-executive directors.

The Chief Operating Decision Maker (CODM) has determined that there are two operating segments for management, reporting and allocation of resources purposes. Operating segments have been identified based on financial information that is regularly reviewed by the CODM. The group operates in two geographical segments being Australia and Hong Kong. In the prior year, the group operated in one segment being Australia.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

# Mariner Corporation Limited and Controlled Entities

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## Notes to the consolidated financial statements for the year ended 30 June 2020

### 24. Operating segments (cont'd)

|                                      | Australia<br>\$  | Hong Kong<br>\$ | Total<br>\$      |
|--------------------------------------|------------------|-----------------|------------------|
| <b>Revenue and income</b>            |                  |                 |                  |
| Revenue and income                   | 229,520          | -               | 229,520          |
| <b>Total revenue and income</b>      | <b>229,520</b>   | <b>-</b>        | <b>229,520</b>   |
| <b>Loss before tax</b>               | (418,998)        | (10,606)        | (429,604)        |
| Income tax expense                   | -                | -               | -                |
| <b>Loss after income tax expense</b> | <b>(418,998)</b> | <b>(10,606)</b> | <b>(429,604)</b> |
| <b>Assets</b>                        |                  |                 |                  |
| Segment assets                       | 493,508          | 218,056         | 711,564          |
| <b>Total assets</b>                  |                  |                 | <b>711,564</b>   |
| <b>Liabilities</b>                   |                  |                 |                  |
| Segment liabilities                  | 84,757           | 105,053         | 189,810          |
| <b>Total liabilities</b>             |                  |                 | <b>189,810</b>   |

### 25. Financial instruments

#### (a) Classes and categories of financial instruments and their fair values

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.

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments.

|                              | 2020<br>\$     | 2019<br>\$       |
|------------------------------|----------------|------------------|
| <b>Financial assets</b>      |                |                  |
| Cash and cash equivalents    | 580,973        | 13,874           |
| Other receivables            | 2,851          | 1,321            |
| Financial assets             | 710            | 4,341            |
|                              | <b>584,534</b> | <b>19,536</b>    |
| <b>Financial liabilities</b> |                |                  |
| Other payables               | 85,176         | 42,236           |
| Borrowings                   | -              | 3,143,894        |
| Lease liabilities            | 104,634        | -                |
|                              | <b>189,810</b> | <b>3,186,130</b> |

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 25. Financial instruments (cont'd)

#### (b) Financial risk management objectives

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 quoted equity investments and fixed and variable interest loans, and investments in other schemes.

The group's 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 group's management monitors and manages the financial risks relating to the operations of the group. These risks include market risk (including interest rate risk), credit risk, and liquidity risk.

The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

#### (c) Market risk management

##### (i) 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.

There has been no change to the group's exposure to market risks or the manner in which these risks are managed and measured.

##### *Management of market price risk*

The investments are earned at fair value with changes in fair value recognised in the consolidated statement of profit or loss and other 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:

|                                                   | 2020<br>% | 2019<br>% |
|---------------------------------------------------|-----------|-----------|
| <b>Percentage (%) of net assets/(liabilities)</b> |           |           |
| Investments in listed shares                      | 0.1       | (0.1)     |

As at 30 June 2020, the company has net assets amounting to \$521,724 (2019: deficit of (\$3,166,594)).

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 25. Financial instruments (cont'd)

#### (c) Market risk management (cont'd)

##### (i) Market price risk (cont'd)

###### 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.

|                             | 2020 | 2019  |
|-----------------------------|------|-------|
|                             | \$   | \$    |
| +10% change in equity price | 71   | 434   |
| -10% change in equity price | (71) | (434) |

##### (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 interest-bearing instruments was:

|                            | 2020     | 2019               |
|----------------------------|----------|--------------------|
|                            | \$       | \$                 |
| <b>Fixed interest rate</b> |          |                    |
| Financial assets           | -        | -                  |
| Financial liabilities      | -        | (3,143,894)        |
|                            | <u>-</u> | <u>(3,143,894)</u> |

###### 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.

##### (iii) Currency risk

The group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them) cash already denominated in that currency will, where possible, be transferred from elsewhere within the group.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 25. Financial instruments (cont'd)

#### (d) Credit risk management

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. The directors are of the opinion that the debtor amounts shown in Note 8 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 company has an intercompany receivable, at year end, due from Mariner International Limited. The related party receivable is non-interest bearing and repayable on demand. The directors have assessed that the related party is a low risk of default. Apart from this, the group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The group's current credit risk grading framework comprises the following categories:

| Category   | Description                                                                                                                        | Basis for recognising expected credit losses |
|------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|
| Performing | The counterparty has a low risk of default and does not have any past-due amounts                                                  | 12 month ECL                                 |
| Doubtful   | Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition                      | Lifetime ECL - not credit-impaired           |
| In default | Amount is >90 days past due or there is evidence indicating the asset is credit impaired                                           | Lifetime ECL - credit-impaired               |
| Write-off  | There is evidence indicating that the debtor is in severe financial difficulty and the group has no realistic prospect of recovery | Amount is written off                        |

The carrying amount of the group's financial assets represents the maximum credit exposure. The table below presents the group's maximum exposure to credit risk at the reporting date.

|                           |                       | 2020<br>\$     | 2019<br>\$    |
|---------------------------|-----------------------|----------------|---------------|
| <b>Carrying amount</b>    | <b>Credit rating*</b> |                |               |
| Cash and cash equivalents | AA                    | 580,973        | 13,874        |
| Other receivables         | Not applicable        | 2,851          | 1,321         |
| Financial assets          | Not applicable        | 710            | 4,341         |
|                           |                       | <u>583,534</u> | <u>19,536</u> |

\*(Rating: Standard & Poor's)

Of the net carrying amount for other receivables, there are no amounts overdue as at 30 June 2020.

#### (e) Liquidity risk management

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

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Notes to the consolidated financial statements for the year ended 30 June 2020

### 25. Financial instruments (cont'd)

#### (e) Liquidity risk management (cont'd)

##### *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.

##### *Exposure to liquidity risk*

The table below presents cash flows payable by the group by remaining contractual maturities at the reporting date. The amounts disclosed are the contractual, undiscounted cash flows.

|                              | Carrying amount<br>\$    | Contractual<br>cash flows<br>\$ | Maturity                  |                                   |                       |                               |
|------------------------------|--------------------------|---------------------------------|---------------------------|-----------------------------------|-----------------------|-------------------------------|
|                              |                          |                                 | 6 months<br>or less<br>\$ | 6 months<br>to<br>12 months<br>\$ | 1 to 2<br>years<br>\$ | More<br>than 2<br>years<br>\$ |
| <b>2020</b>                  |                          |                                 |                           |                                   |                       |                               |
| <b>Financial liabilities</b> |                          |                                 |                           |                                   |                       |                               |
| Payables                     | 85,176                   | 85,176                          | 85,176                    | -                                 | -                     | -                             |
| Lease liabilities            | 104,634                  | 109,439                         | 26,802                    | 57,512                            | 25,125                | -                             |
|                              | <b>189,810</b>           | <b>194,615</b>                  | <b>111,978</b>            | <b>57,512</b>                     | <b>25,125</b>         | <b>-</b>                      |
|                              |                          |                                 |                           |                                   |                       |                               |
|                              | Carrying<br>amount<br>\$ | Contractual<br>cash flows<br>\$ | Maturity                  |                                   |                       |                               |
|                              |                          |                                 | 6 months<br>or less<br>\$ | 6 months to<br>12 months<br>\$    | 1 to 2<br>years<br>\$ | More than<br>2 years<br>\$    |
| <b>2019</b>                  |                          |                                 |                           |                                   |                       |                               |
| <b>Financial liabilities</b> |                          |                                 |                           |                                   |                       |                               |
| Payables                     | 42,236                   | 42,236                          | 42,236                    | -                                 | -                     | -                             |
| Borrowings                   | 3,143,894                | 3,143,894                       | -                         | 3,143,894                         | -                     | -                             |
|                              | <b>3,186,130</b>         | <b>3,186,130</b>                | <b>42,236</b>             | <b>3,143,894</b>                  | <b>-</b>              | <b>-</b>                      |

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

#### (f) Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2019.

The capital structure of the group consists of net debt (borrowings disclosed in note 14 after deducting cash and bank balances) and equity of the group (comprising issued capital, as disclosed in note 15, and accumulated losses).

The group is not subject to any externally imposed capital requirements.

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 buyback.



# **Mariner Corporation Limited and Controlled Entities**

ABN 54 002 989 782

## **Notes to the consolidated financial statements for the year ended 30 June 2020**

### **26. Events after the reporting period**

On 13 July 2020, pursuant to the group's strategy, the group completed the establishment of its presence in the Hong Kong region by opening an office in the region to increase the group's coverage of pre-investment opportunities.

Other than as noted above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

# Mariner Corporation Limited and Controlled Entity

ABN 54 002 989 782

## Directors' declaration

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

- 1 the consolidated financial statements and notes, as set out on pages 20 to 47 are in accordance with the *Corporations Act 2001* and:
  - a) comply with Australian Accounting Standards, which as stated in accounting policy Note 2 to the consolidated 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 2020 and of the performance for the year ended on that date of the company and the 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 2(i) 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 consolidated financial statements and notes for the financial year comply with the Australian Accounting Standards; and
  - c) the consolidated 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.



Director: .....

William Murfitt

Dated: 25 September 2020

**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

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

**Opinion**

We have audited the financial report of Mariner Corporation Limited (the Company) and its Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 to the consolidated financial statements including a summary of significant accounting policies and the directors' declaration.

In our opinion: the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**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 Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 *Corporations 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 2(j) in the financial report which indicates that the company has incurred a net loss of \$ 429,604 and cash outflows from operating activities of \$550,290 during the year ended 30 June 2020. As stated in Note 2(j) these events or conditions, along with other matters as set forth in Note 2(j) indicate that a material uncertainty exists that may cast significant doubt about 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**

**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**

**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<br>the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Capital Raising and Restructure of Debt</b><br/><b>Refer to Notes 14 &amp;15</b></p> <p>During the year, the company undertook a share placement raising \$2.4 million and also restructured its existing convertible notes and loans, which resulted in its existing liabilities being fully discharged.</p> <p>Accounting for the debt to equity conversion required management to determine the fair value of shares issued on conversion.</p> <p>Due to the significance of the capital raising and restructuring of its existing debts, this is considered to be a key audit matter</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• We obtained and reviewed the deeds of release to understand the key terms and conditions of the debt restructure.</li> <li>• We obtained an understanding from management as to the basis of the accounting for the debt converted to equity.</li> <li>• We assessed the fair value of the shares issued on conversion of debt to equity</li> <li>• We verified the \$2.4 million capital raising to supporting documentation.</li> <li>• We assessed the adequacy of the Company's disclosures in respect of the capital raising and debt restructure.</li> </ul> |

**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**

**Information Other than the Financial Report and Auditor's Report Thereon**

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon. 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.

**Responsibilities of the Directors 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 ability of the group 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 Group 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:



**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**

- 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.

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.

**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**

**Report on the Remuneration Report**

We have audited the remuneration report included in page 15- 17 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Mariner Corporation Limited for the year ended 30 June 2020 complies with s300A of the Corporations Act 2001.

**Responsibilities**

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.

*Hall Chadwick*

HALL CHADWICK (NSW)  
Level 40, 2 Park Street  
Sydney NSW 2000

*G Webb*

**GRAHAM WEBB**  
Partner  
Date: 25 September 2020

# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Shareholder information

### A. Substantial shareholders

The following have advised that they have a relevant interest in the capital of Mariner Corporation Limited as at 9 September 2020. 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<br>ordinary shareholders | No of ordinary<br>share held | Percentage of issued<br>capital held |
|--------------------------------------|------------------------------|--------------------------------------|
| Panshan Capital Pty Ltd              | 34,315,140                   | 71.41%                               |
| B C Roofing Pty Ltd                  | 2,247,648                    | 4.68%                                |
| Atak Pty Limited                     | 1,889,521                    | 3.93%                                |
| Global Clean Energy Finance Pty Ltd  | 1,500,000                    | 3.12%                                |

### B. Distribution of equity securities

(i) Analysis of numbers of equity security holders by size of holding as at 9 September 2020.

| Category (size of holdings) |   |          | Ordinary shares<br>No. of holders | Options |
|-----------------------------|---|----------|-----------------------------------|---------|
| 1                           | - | 1,000    | 1,127                             | -       |
| 1,001                       | - | 5,000    | 98                                | -       |
| 5,001                       | - | 10,000   | 28                                | -       |
| 10,001                      | - | 100,000  | 54                                | -       |
| 100,001                     | - | and over | 17                                | -       |
|                             |   |          | <b>1,324</b>                      | -       |

(ii) There were 1,233 holders of less than a marketable parcel of ordinary shares.



# Mariner Corporation Limited and Controlled Entities

ABN 54 002 989 782

## Shareholder information

### C. Equity security holders

#### Twenty largest quoted equity security holders at 9 September 2020

| Shareholder                                                                                    | No. of shares held | % of total shares |
|------------------------------------------------------------------------------------------------|--------------------|-------------------|
| Panshan Capital Pty Ltd                                                                        | 34,315,140         | 71.41             |
| B C Roofing Pty Ltd                                                                            | 2,247,648          | 4.68              |
| Atak Pty Limited                                                                               | 1,889,521          | 3.93              |
| Global Clean Energy Finance Pty Ltd                                                            | 1,500,000          | 3.12              |
| Dorney Holdings Pty Ltd                                                                        | 1,494,127          | 3.11              |
| Btkn Holdings Pty Ltd                                                                          | 1,401,801          | 2.92              |
| Mrs Michelle Maree Johnson                                                                     | 419,355            | 0.87              |
| Mr Roger Dean Hess                                                                             | 391,430            | 0.81              |
| Mrs Jacqueline Chiu-Yueh Hsu and Mr Stephen Chia-Kuei Hsu<br>(Kindbird Superannuation Account) | 359,771            | 0.75              |
| A & D Nestola Pty Ltd (A & D Nestola Sf Account)                                               | 327,806            | 0.68              |
| Mr Justin Follett                                                                              | 295,601            | 0.62              |
| Ms Tamara Johnson and Mr Justin Follett                                                        | 220,000            | 0.46              |
| Mr Peter Howells                                                                               | 197,017            | 0.41              |
| Sergovia 424 Pty Ltd                                                                           | 150,919            | 0.31              |
| Village Gallery Palm Cove                                                                      | 150,440            | 0.31              |
| Mr Fred Wu                                                                                     | 121,815            | 0.25              |
| Ms Tamara Johnson and Mr Justin Follett (Lakobro Super Account)                                | 118,972            | 0.25              |
| Mr Kym Anthony Biddell                                                                         | 100,000            | 0.21              |
| Universal Capital Corporation Limited                                                          | 99,090             | 0.21              |
| Mr Gale Ulrich Pfitzner                                                                        | 90,125             | 0.19              |
|                                                                                                | 45,890,578         | 95.50             |

### D. 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  
Resigned 29 November 2019

Philip Barclay  
Non-Executive Director

Kai Man Wong  
Non-Executive Director  
Appointed 29 November 2019

### Company Secretary

Adrian Olney (resigned 24 June 2020)  
Dean Jagger (appointed 24 June 2020)

### 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)