



1. Company details

Name of entity:	Lemarne Corporation Limited
ABN:	72 004 834 584
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	100.0% to	-
Loss from ordinary activities after tax attributable to the owners of Lemarne Corporation Limited	down	73.8% to	(491,226)
Loss for the half-year attributable to the owners of Lemarne Corporation Limited	down	73.8% to	(491,226)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the company after providing for income tax amounted to \$491,226 (31 December 2013: \$1,874,379).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.76</u>	<u>7.47</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.



8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Lemarne Corporation Limited for the half-year ended 31 December 2014 is attached.

12. Signed

Signed jeffrey m. m. m.

Date: 4 March 2015



Lemarne Corporation Limited

ABN 72 004 834 584

Interim Report - 31 December 2014



The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2014.

Directors

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Paul Delosa
Marc Spicer
Ilan Goldstein
Yeoryios Markos

Principal activities

During the financial half-year the company did not have an active business as it liquidated its remaining investments to cash. The Lemarne Board is currently reviewing investment opportunities to again make the company a successful diversified investment company and it is a priority for the Board that the company's share trading suspension be lifted so that shareholders are able to buy and sell company shares, and the company can grow value again.

The Board's short term objectives are to buy or build a business so that the ASX can remove their suspension. In this regard, the Board has identified various opportunities which will be disclosed to the market when the appropriate due diligence has been completed and a decision to pursue such options has been agreed upon.

Review of operations

The loss for the company after providing for income tax amounted to \$491,226 (31 December 2013: \$1,874,379).

During the period, the company liquidated its remaining investment holding in Real Estate Capital Partners USA Property Trust (ASX: RCU) which realised a net loss of \$158,612. During the period, the company advanced an amount of \$20,000 to New City Australia Funds Management Limited ('New City') for the purpose of paying outstanding ASIC and audit fees with the aim of having its Australian Financial Services Licence ('AFSL') reinstated. Given the company's historical reporting breaches and subsequent administrative burden that became evident during this process, the directors have determined that New City be wound up. The loan is therefore considered non-recoverable and the AFSL of New City has been cancelled by ASIC. The remaining expenditure related to administrative costs and costs incurred in conducting diligence activities around potential investment opportunities in the future.

The Company's securities have been suspended from official quotation since 24 July 2012 following the sale of its main business. The Board has been actively assessing potential acquisitions by the Company, subject to shareholder approval and re-compliance with the listing requirements of ASX in order to reinstate the Company's securities to official quotation on ASX (including raising sufficient funds to support the working capital requirements of any acquired undertaking).

The Board is in an advanced stage of due diligence investigations regarding the potential acquisition and/or wholesale distribution and marketing by the Company of precious coloured gemstones via a stockholder of a large parcel of high grade, gem quality corundum rough material in its raw natural form. If after concluding its due diligence investigations, the Board considers the transaction to be in the best interests of shareholders, subject to all relevant approvals and reinstatement of the Company securities to official quotation, the Company would become a supplier of the coloured gemstones to international and Australian markets, as well as a manufacturer of custom high end design handmade jewellery. The Company has commissioned a formal valuation of the parcel of gemstones which is yet to be finalised.

As at the date of this report, the Company has not entered into any binding commitments in respect of this potential acquisition and will keep shareholders apprised of the progress of this transaction as its due diligence investigations and transaction assessment progresses.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial half-year.

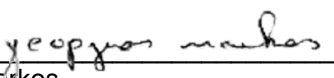
Auditor's independence declaration

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



This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the Board of Directors



Yeoryios Markos
Chairman

4 March 2015
Melbourne

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF LEMARNE CORPORATION
LIMITED**

I declare that, to the best of my knowledge and belief during the year ended 31 December 2014 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

J. C. Luckins

J. C. LUCKINS
Director

Dated this 4th day of March, 2015

**CHARTERED ACCOUNTANTS
& ADVISORS**

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General information

The financial statements cover Lemarne Corporation Limited as an individual entity. The financial statements are presented in Australian dollars, which is Lemarne Corporation Limited's functional and presentation currency.

Lemarne Corporation Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 27
101 Collins Street
Melbourne VIC 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 March 2015.

Lemarne Corporation Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2014



	Note	31 Dec 2014 \$	31 Dec 2013 \$
Revenue	3	-	27,622
Other income	4	69,116	133,070
Expenses			
Net loss on financial assets at fair value through profit or loss	5	(158,612)	(1,253,024)
Impairment of Loans	6	(20,000)	-
Corporate and administrative costs		(61,678)	(126,182)
Insurance		(9,122)	(9,984)
Employee benefits expense		(168,103)	(116,386)
Legal fees		-	(69,000)
Consultancy fees		(142,827)	(460,495)
Loss before income tax expense		(491,226)	(1,874,379)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Lemarne Corporation Limited		(491,226)	(1,874,379)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Lemarne Corporation Limited		<u>(491,226)</u>	<u>(1,874,379)</u>
		Cents	Cents
Basic earnings per share	11	(5.71)	(21.78)
Diluted earnings per share	11	(5.71)	(21.78)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



	Note	31 Dec 2014 \$	30 Jun 2014 \$
Assets			
Current assets			
Cash and cash equivalents		150,095	298,312
Trade and other receivables	7	17,602	11,421
Financial assets at fair value through profit or loss	8	-	420,000
Total current assets		<u>167,697</u>	<u>729,733</u>
Non-current assets			
Property, plant and equipment		<u>2,927</u>	-
Total non-current assets		<u>2,927</u>	-
Total assets		<u>170,624</u>	<u>729,733</u>
Liabilities			
Current liabilities			
Trade and other payables	9	<u>19,067</u>	<u>86,950</u>
Total current liabilities		<u>19,067</u>	<u>86,950</u>
Total liabilities		<u>19,067</u>	<u>86,950</u>
Net assets		<u>151,557</u>	<u>642,783</u>
Equity			
Issued capital		3,993,630	3,993,630
Accumulated losses		<u>(3,842,073)</u>	<u>(3,350,847)</u>
Total equity		<u>151,557</u>	<u>642,783</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Lemarne Corporation Limited
Statement of changes in equity
For the half-year ended 31 December 2014



	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013	3,993,630	(1,591,840)	2,401,790
Loss after income tax expense for the half-year	-	(1,874,379)	(1,874,379)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(1,874,379)	(1,874,379)
Balance at 31 December 2013	<u>3,993,630</u>	<u>(3,466,219)</u>	<u>527,411</u>
	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	3,993,630	(3,350,847)	642,783
Loss after income tax expense for the half-year	-	(491,226)	(491,226)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(491,226)	(491,226)
Balance at 31 December 2014	<u>3,993,630</u>	<u>(3,842,073)</u>	<u>151,557</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Lemarne Corporation Limited
Statement of cash flows
For the half-year ended 31 December 2014



	31 Dec 2014	31 Dec 2013
	\$	\$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(455,794)	(875,300)
Recovery of GST paid	69,116	-
	<hr/>	<hr/>
Interest received	(386,678)	(875,300)
	-	14,980
	<hr/>	<hr/>
Net cash used in operating activities	(386,678)	(860,320)
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for investments	-	(1,153,500)
Payments for property, plant and equipment	(2,927)	-
Payments for loans advanced	(20,000)	-
Proceeds from sale of investments	261,388	9,604
Proceeds from term deposits	-	2,200,000
	<hr/>	<hr/>
Net cash from investing activities	238,461	1,056,104
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of financial liabilities	-	(400,000)
	<hr/>	<hr/>
Net cash used in financing activities	-	(400,000)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(148,217)	(204,216)
Cash and cash equivalents at the beginning of the financial half-year	298,312	221,904
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<u>150,095</u>	<u>17,688</u>

The above statement of cash flows should be read in conjunction with the accompanying notes



Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company during the financial half-year ended 31 December 2014 and are not expected to have any significant impact for the full financial year ending 30 June 2015. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

For the half year to 31 December 2014, the company incurred a net loss after tax amounting to \$491,226 for the period (2013: \$1,874,379) and net operating cash outflows of \$386,677 (2013: \$860,320). The company no longer holds any investments (other than cash at bank) and does not have any business operations.

The directors have prepared these financial statements on the basis that the company is a going concern insofar as it remains solvent on the basis that the current cash at bank amounting to \$150,095 is considered adequate to cover short term needs as the directors continue to conduct feasibility assessments and identify a business for the company to acquire. In its current form, the company's projected expenses are limited to directors' fees and compliance and professional costs required for a re-listing of the company's equity. The directors have however resolved that they will forfeit their entitlement to future directors' fees, including \$12,000 of directors' fees accrued at reporting date, to the extent required, and for a period of at least 12 months from the date of this report, until the company has raised sufficient capital to allow it to continue to meet its obligations going forward and sufficient cash is available from which to remunerate directors.

The directors remain committed to identifying and acquiring a suitable business for the company in the near future. Funding for such acquisitions will be determined at the time that business opportunities are identified and are able to progress to negotiation and are likely to consist of a mix of debt and equity of the company.

Note 2. Operating segments

Identification of reportable operating segments

The company is organised into one operating segment being investing in the Australasia region. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Note 3. Revenue

	31 Dec 2014 \$	31 Dec 2013 \$
Interest	-	27,622



Note 4. Other income

	31 Dec 2014 \$	31 Dec 2013 \$
Net gain on settlement of financial liabilities	-	133,070
GST recovered	69,116	-
Other income	<u>69,116</u>	<u>133,070</u>

The company had a liability owing to KushKush Investments Pty Ltd which as at 30 June 2013 was \$533,070. On 7 October 2013, both parties agreed to settle the remaining debt through cash consideration of \$400,000. This represented a gain of \$133,070 which has been recorded in the profit and loss statement. KushKush has a substantial shareholding in Bisan Limited.

Note 5. Net loss on financial assets at fair value through profit or loss

	31 Dec 2014 \$	31 Dec 2013 \$
Net loss on financial assets at fair value through profit or loss	<u>158,612</u>	<u>1,253,024</u>
Net loss on financial assets at fair value through profit or loss consists of:		
Real Estate Capital Partners USA Property Trust	158,612	80,000
Bisan Limited	-	286,350
Mariner Corporation Limited	-	766,674
New City Australia Funds Management Limited	-	50,000
Global Constructive Solutions Pty Limited	-	70,000
	<u>158,612</u>	<u>1,253,024</u>



Note 5. Net loss on financial assets at fair value through profit or loss (continued)

Real Estate Capital Partners USA Property Trust

The company disposed of its ordinary units (2,000,000 ordinary units) in Real Estate Capital Partners USA Property Trust (ASX: RCU). The loss on RCU represents the loss on disposal.

Bisan Limited

During the previous half-year, the decline in fair value of Bisan Limited (ASX: BSN) which totalled \$198,350 was charged to the profit of loss. Also included in the loss for the year is an amount of \$88,000 that the company paid for shares but for which the company was unable to secure a share transfer by the vendor party. The company has sought to recover such funds, but recovery is currently deemed to be doubtful.

Mariner Corporation Limited

During the previous half-year, the company held two separate holdings of convertible notes in Mariner amounting to \$400,000 and \$350,000. After writing off principal and interest receivable on this debt, the company incurred a loss of \$766,674. Former director Darren Olney-Fraser was a director and CEO of Mariner at the time of these transactions. Subsequent to 31 December 2013, In May 2014 and June 2014, the company received two payments of \$200,000 each in full settlement of their holdings of convertible notes. After writing off principal and interest receivable on this debt, the company incurred a loss of \$396,427 for the year ended 30 June 2014.

New City Australia Funds Management Limited

During the previous half-year, the company's 50% shareholding was written off as New City had no business and net liabilities.

Global Constructive Solutions Pty Ltd

During the previous half-year, a deposit for the acquisition of 100% of the shares in this entity was written off during. The vendor entity has not processed the share transfer relating to this investment, and recovery of the deposit has become doubtful.

Note 6. Impairment of Loans

	31 Dec 2014 \$	31 Dec 2013 \$
New City Australia Funds Management Ltd	20,000	-

During the period, the company advanced an amount of \$20,000 to New City for the purpose of paying outstanding ASIC and audit fees with the aim of having its Australian Financial Services Licence ('AFSL') reinstated. Given the company's historical reporting breaches and subsequent administrative burden that has become evident during this process, the directors have determined that New City be wound up. The loan is therefore considered non-recoverable. New City's AFSL was cancelled by ASIC during the period.

Note 7. Current assets - trade and other receivables

	31 Dec 2014 \$	30 Jun 2014 \$
Other receivables - GST	17,602	11,421

Note 8. Current assets - financial assets at fair value through profit or loss

	31 Dec 2014 \$	30 Jun 2014 \$
Investment in Real Estate Capital Partners USA Property Trust	-	420,000

The company held 2,000,000 ordinary units in Real Estate Capital Partners USA Property Trust at 30 June 2014. This is a listed investment (ASX: RCU) and the fair value of each unit was 21 cents at 30 June 2014. During the half-year ended the company has disposed its entire holding in RCU. Proceeds realized from this sell down amounted to \$261,388.



Note 9. Current liabilities - trade and other payables

	31 Dec 2014	30 Jun 2014
	\$	\$
Trade payables	<u>19,067</u>	<u>86,950</u>

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2014 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 11. Earnings per share

	31 Dec 2014	31 Dec 2013
	\$	\$
Loss after income tax attributable to the owners of Lemarne Corporation Limited	<u>(491,226)</u>	<u>(1,874,379)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>8,606,814</u>	<u>8,606,814</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>8,606,814</u>	<u>8,606,814</u>
	Cents	Cents
Basic earnings per share	(5.71)	(21.78)
Diluted earnings per share	(5.71)	(21.78)



In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Yeoryios Markos
Chairman

4 March 2015
Melbourne

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Lemarne Corporation Limited on pages 5 to 13, which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Lemarne Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LEMARNE CORPORATION LIMITED (CONT)

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lemarne Corporation Limited on pages 5 to 13 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the entity incurred a net loss of \$491,226 during the half year ended 31 December 2014 and had net cash outflows from operations of \$386,678. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may not be able to realise its assets and discharge its liabilities in the normal course of business.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

A stylized blue ink signature of J. C. Luckins, consisting of a large 'A' and 'L' connected together.

J. C. Luckins
Director

Dated this 4th day of March, 2015