

**MARINER**

Change creates value.

**CORPORATION  
LIMITED**

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28 February 2014

Company Announcements Platform

ASX Limited

Exchange Centre

20 Bridge Street

Sydney, NSW, 2000

**MARINER CORPORATION LIMITED****APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF - YEAR ENDED 31 DECEMBER 2013**

The directors of Mariner Corporation Limited are pleased to announce the results of the Company for the half year ended 31 December 2013 as follows:

**RESULTS FOR ANNOUNCEMENT TO THE MARKET:**

Key Information - extracted from interim financial report	%Change	Half-Year Ended 31 December 2013
Revenue from ordinary activities	Down 97.9%	5,343
Net profit/(loss) from ordinary activities after tax attributable to members	Up 31.3%	(336,245)
Net profit/(loss) after tax attributable to members	Up 31.3%	(336,245)

**DIVIDENDS:**

No dividends have been paid or declared during the current financial period.

**NET TANGIBLE ASSETS PER SHARE**

	31 December 2013	31 December 2012
Net tangible assets per share	(10.78) cents	7.68 cents

## AUDITOR OPINION

### Basis for Qualified Conclusion

Included in other receivables is a deposit on land of \$ 312,500 to acquire The Hermitage retirement village under a contract and a non-refundable negotiation fee of \$ 380,000 to acquire The Woniora retirement village under a deed of assignment. There is a current legal dispute with the vendors of The Hermitage and The Woniora over settlement terms. We have been unable to obtain sufficient evidence regarding the recoverability of these amounts should settlement not take place. Should the settlement not take place the assets may be impaired and if this occurred the net assets would decrease by \$ 692,500.

### Conclusion

Based on our review, which is not an audit, expect for the possible effects of the matter described in the Basis for Qualified Conclusion we have not become aware of any matter that makes us believe that the half-year financial report of Mariner Corporation Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Mariner Corporation Limited's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

### Emphasis of matter

Without modifying our conclusion, we draw attention to Note 16 in the half year financial report which indicates that the consolidated entity incurred a net loss of \$ 336,245 to 31 December 2013. In addition the consolidated entity had a negative cash outflow from operating activities during the period of \$ 129,097 and a working capital deficit of \$ 1,316,718. These conditions, along with other matters as set forth in Note 16 and the matter described in the Basis for Qualified Conclusion, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report



**Darren Olney-Fraser**  
Chief Executive Officer

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

**INTERIM FINANCIAL REPORT**  
**HALF-YEAR ENDED 31 DECEMBER 2013**

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## MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES

### DIRECTORS' REPORT

Your directors present their report together with the consolidated interim financial report of Mariner Corporation Limited ('the Company'), being the Company and its controlled entities (together referred to as 'the Group'), for the period ended 31 December 2013 and the review report thereon.

### DIRECTORS

The following persons were directors of the Company during the whole of the financial half-year end up to the date of this report, unless otherwise stated.

NAME	POSITION
Mr D Christie	Chairman
Mr D Olney Fraser	Chief Executive Officer / Director
Mr Wai Liam Ng	Executive Director (resigned 22 Nov 2013)
Mr H Bowman	Non-Executive Director (appointed 9 Oct 2013, resigned 7 Feb 2014)
Mr G Lemair	Non-Executive Director (appointed 10 Feb 2014)

### PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the Group during the period were diversified investment, primarily in the property and financial services sectors.

### CONSOLIDATED RESULTS

The consolidated net loss after tax attributable to members of the Company for the period was \$336,245 (2012: profit of \$489,303). The basic loss per share for the period was 2.75 cents (2012: profit per share of 5.25 cents).

### DIVIDENDS

There was no dividend declared for the period to 31 December 2013 (2012: 1 cent per share).

### REVIEW OF OPERATIONS

The Group continues to invest in diversified investment, primarily in the property and financial services sectors.

Mariner is continuing to look for opportunities to raise capital and invest to grow the company.

Mariner has negotiated to acquire Suncorp's \$7.8 million debt in one of Becton's retirement village assets, The Woniora in Wahroonga (Sydney NSW). Mariner has also contracted to acquire another retirement village The Hermitage in Tea Gardens (NSW) for \$6.25 million. Settlement of these assets is expected to occur during March 2014.

## MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

Since 31 December 2013, there are no matters which significantly affected or may significantly affect:

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

Except as disclosed below or included in this report under the review of operations and significant changes in the state of affairs:

- (i) A placement of 1,500,000 Mariner shares at 10 cents per share to contribute \$150,000 as working capital.
- (ii) Since the 31 December 2013 there is a legal dispute with the vendors of The Hermitage and The Woniora over settlement terms. Mariner is defending its rights under these contracts to acquire The Hermitage and The Woniora and has lodged caveats to protect its legal position.
- (iii) Mariner has executed a Terms Sheet to acquire a portfolio of rental assets for \$13,000,000.00. This acquisition is supported by vendor finance and is scheduled to settle on or before 15 March 2014

### AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

A copy of the Auditors' independence declaration under Section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2013.

Dated this 28<sup>th</sup> day of February 2014.

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



DONALD CHRISTIE  
CHAIRMAN

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

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been:

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



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**DREW TOWNSEND**

Partner

Date: 28 February 2014

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# **CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2013 \$	HALF-YEAR ENDED 31 DECEMBER 2012 \$
<b>REVENUE AND INCOME</b>		
Interest income	343	116,958
Management fees	5,000	30,000
Dividends	-	11,567
Other income	-	3,244
Profit from sale of investments	-	323,061
<b>TOTAL REVENUE AND INCOME</b>	<b>5,343</b>	<b>484,830</b>
<b>EXPENSES</b>		
Administration and office costs	(122,570)	(141,674)
Borrowing costs	(67,920)	(126,051)
Professional fees and investment costs	(148,139)	(698,408)
Other expenses	-	(2,492)
Net change in fair value of financial assets at fair value through profit or loss	(2,960)	(5,508)
<b>TOTAL EXPENSES</b>	<b>(341,589)</b>	<b>(974,133)</b>
<b>(LOSS)/PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX</b>	<b>(336,246)</b>	<b>(489,303)</b>
Income tax credit/(expense)	-	-
<b>NET (LOSS)/PROFIT FOR THE PERIOD</b>	<b>(336,246)</b>	<b>(489,303)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net gain on measurement of financial assets available for sale	-	30,128
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<b>(336,246)</b>	<b>(459,175)</b>
<b>EARNINGS PER SHARE</b>		
Basic and diluted profit/(loss) per share from continuing operations	(2.75) cents	(5.25) cents



**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As At 31 DECEMBER 2013**

	Notes	Consolidated	
		31 DECEMBER 2013	30 June 2013
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	2,451	9,846
Other receivables	8	4,070	10,848
Financial assets	9	7,893	115,504
Other assets	10	692,500	-
<b>TOTAL CURRENT ASSETS</b>		<b>706,914</b>	<b>136,199</b>
<b>TOTAL ASSETS</b>		<b>706,915</b>	<b>136,199</b>
<b>CURRENT LIABILITIES</b>			
Payables	11	630,571	496,850
Loans and borrowings	12	1,393,063	619,824
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,023,634</b>	<b>1,116,674</b>
<b>TOTAL LIABILITIES</b>		<b>2,023,634</b>	<b>1,116,674</b>
<b>NET ASSETS</b>		<b>(1,316,720)</b>	<b>(980,475)</b>
<b>EQUITY</b>			
Issued Capital	13	133,437,098	133,437,098
Reserves		400,286	400,286
Accumulated losses		(135,154,104)	(134,817,859)
<b>TOTAL EQUITY</b>		<b>(1,316,720)</b>	<b>(980,475)</b>

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

31 DECEMBER 2013

CONSOLIDATED				
SHARE CAPITAL	OTHER RESERVES	AVAILABLE FOR SALE RESERVE	RETAINED EARNINGS/ (LOSSES)	TOTAL
\$	\$	\$	\$	\$
133,437,098	250,547	149,739	(134,817,859)	(980,475)
-	-	-	(336,245)	(336,245)
133,437,098	250,547	149,739	(135,154,104)	(1,316,720)

31 DECEMBER 2012

31 DECEMBER 2012	CONSOLIDATED				
	SHARE CAPITAL	OTHER RESERVES	AVAILABLE FOR SALE RESERVE	RETAINED EARNINGS/ (LOSSES)	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2012	132,143,469	250,547	149,738	(132,319,840)	193,786
Valuation increase on available for sale financial assets	-	-	30,128	-	30,128
Shares issued during the period:					
-rights issue	1,267,729	-	-	-	1,267,729
-exercise options	202	-	-	-	202
Dividends paid (Note 6)	-	-	-	(82,817)	(82,817)
Total loss for the period	-	-	-	(489,303)	(489,303)
Balance at 31 December 2012	133,411,400	250,547	149,738	(132,891,960)	919,725

MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

NOTES	CONSOLIDATED	
	HALF-YEAR ENDED 31 DECEMBER 2013 \$	HALF-YEAR ENDED 31 DECEMBER 2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	31,512	161,857
Cash payments in the course of operations	(92,690)	(512,480)
Borrowing costs paid	(67,919)	(25,229)
NET CASH FROM OPERATING ACTIVITIES	(129,097)	(375,852)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	104,652	500,548
Purchase of financial assets	(692,500)	(57,402)
NET CASH FROM INVESTING ACTIVITIES	(587,848)	443,146
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds Convertible Note	750,000	-
Repayments of borrowings	(75,000)	-
Proceeds from issue of shares, net	-	391,544
Loans received from/(paid to) related parties	34,550	(381,393)
Dividends paid	-	(82,817)
NET CASH FROM FINANCING ACTIVITIES	709,550	(72,666)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,395)	(5,372)
CASH AND CASH EQUIVALENTS AT 1 JULY	9,846	10,013
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,451	4,641
LESS: CASH DEPOSITS NOT AVAILABLE FOR USE BY THE GROUP	-	-
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	2,451	4,641

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**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE INETRIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**1 REPORTING ENTITY**

Mariner Corporation Limited is a company domiciled in Australia. The consolidated interim financial report of the Company for the half-year ended 31 December 2013 comprises the Company and its subsidiaries (together referred to as 'the Group').

The consolidated annual financial report of the Group for the year ended 30 June 2013 is available upon request from the Company's registered office at Level 4 Podium, 120 Collins Street, Melbourne, VIC, 3000 or at [www.marinercorporation.com.au](http://www.marinercorporation.com.au).

**2 BASIS OF PREPARATION**

These general purpose financial statements for the half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Mariner Corporation Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the following half-year.

**3 ACCOUNTING POLICIES**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to some of the matters described at note 5 below

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2013.

During the half-year ended 31 December 2013, management reassessed its estimates in respect of the fair value of financial assets (Note 9).

**5 NEW AND REVISED ACCOUNTING REQUIREMENTS APPLICABLE TO THE CURRENT HALF-YEAR REPORTING PERIOD**

a. (i) *Consolidated financial statements, joint arrangements and disclosure of interests in other entities*

The Group has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements*;
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements*;
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities*;

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
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- AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*; and
- AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current half-year reporting period are as follows:

- *Consolidated financial statements:*

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: *Business Combinations*) from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (ie 2012–2013) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (ie pre-1 July 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 July 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition.

- *Disclosure of interest in other entities:*

AASB 12 is the Standard that addresses disclosure requirements of AASB 10, AASB 11, AASB 127 and AASB 128. New disclosures, that are material to this interim financial report and associated with the Group's interests in subsidiaries and joint arrangements as prescribed by AASB 12 have been set out in Note 14.

(ii) *Fair value measurements and disclosures*

The Group has adopted AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards arising from AASB 13* from 1 July 2013 together with consequential amendments to other Standards. These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value.

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
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**b. Principles of Consolidation**

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Mariner Corporation Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 14.

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

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

**c. Fair Value of Assets and Liabilities**

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

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

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

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

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

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

**Valuation techniques**

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE INETRIM FINANCIAL STATEMENTS**  
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the Group are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
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**6 DIVIDENDS**

	CONSOLIDATED	
	31 DECEMBER	31 DECEMBER
	2013	2012
	\$	\$
DIVIDENDS PAID/PROVIDED FOR		
	-	82,817
	-	82,817

**7 CASH AND CASH EQUIVALENTS**

	CONSOLIDATED	
	31 DECEMBER	30 JUNE
	2013	2013
	\$	\$
CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	2,451	9,846
	2,451	9,846

**8 OTHER RECEIVABLES**

	CONSOLIDATED	
	31 DECEMBER	30 JUNE
	2013	2013
	\$	\$
CURRENT		
Trade debtors	-	-
Other debtors	4,070	10,848
	4,070	10,848

**9 FINANCIAL ASSETS**

	CONSOLIDATED	
	31 DECEMBER 2013	30 JUNE 2013
	\$	\$
CURRENT		
Investment in listed shares, available for sale	7,893	10,852
Investment in an unlisted property trust – at fair value	-	104,652
	7,893	115,504



**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE INETRIM FINANCIAL STATEMENTS**  
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**10 OTHER ASSETS**

	CONSOLIDATED	
	31 DECEMBER 2013	30 JUNE 2013
	\$	\$
Deposit –The Hermitage retirement village (a)	312,500	-
Deposit –The Woniora retirement village (b)	380,000	-
	692,500	-

(a) Deposit of 5% was paid under a contract to acquire The Hermitage retirement village through Mariners subsidiaries Hermitage (Mangement) Pty Ltd and Hermitage (Development) Pty Ltd

(b) Deposit of 5% was paid under a Deed of Assignment to acquire Suncorp's debt on Becton's retirement village The Woniora

Settlement of these contracts is expected to occur during March 2014.

**11 PAYABLES**

	CONSOLIDATED	
	31 DECEMBER 2013	30 JUNE 2013
	\$	\$
Trade creditors	566,294	492,728
Other creditors and accruals	64,277	4,122
	630,571	496,850

**12 LOANS AND BORROWINGS**

		CONSOLIDATED	
		31 DECEMBER 2013	30 JUNE 2013
	Expiry date	Nominal Interest rate	
			\$
<b>Current</b>			
<i>Secured</i>			
Loan – Optima Funding Pty Ltd (a)	30/6/2014	18%	596,963
Convertible Note – Lemarne Corp. Ltd (b)	30/6/2014	8%	350,000
Convertible Note – Lemarne Corp. Ltd (c)	30/6/2014	8%	400,000
<i>Unsecured</i>			
Loan – FMOF Pty Ltd (d)			46,100
			-
			1,393,063
			619,824

a) The loan from Optima Funding Pty Ltd is repayable on 30 June 2014 at an interest rate of 18%. Optima Funding Pty Ltd has a charge over the company while this loan remains outstanding. A principal repayment of \$75,000 was made on the 19 July 2013.

b) The company issued a convertible note to Lemarne Corporation Pty Ltd, the proceeds of the convertible note were used for the deposit to acquire The Woniora

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
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- c) The company issued a convertible note to Lemarne Corporation Pty Ltd, the proceeds of the convertible note were used for the deposit to acquire The Hermitage
- d) Unsecured loans from a related were made by FMOF Nominees Pty Ltd, a company controlled by Darren Olney-Fraser

**13 CONTRIBUTED EQUITY**

**(A) ISSUED CAPITAL**

	31 DECEMBER 2013	30 JUNE 2013
	\$	\$
12,238,082 ordinary shares, fully paid (June 2013: 12,238,082)	133,437,098	133,437,098

During the half-year the Company has not issued any shares

**(B) OPTIONS**

During the half-year the Company has not issued any options.

**14 INTEREST IN SUBSIDIARIES**

Set out below are the Group's subsidiaries at 31 December 2013

Name of entity	Country of Incorporation	Ownership Interest	
		2013	2012
		%	%
<b>Controlled entities</b>			
Mariner Asset Management Limited	Australia	100	100
Hermitage (Management) Pty Ltd	Australia	100	-
Hermitage (Development) Pty Ltd	Australia	100	-

The subsidiary Mariner Asset Management Limited is not an operating entity and is in process of deregistration, the only asset being cash at bank (\$2,402) has been transferred to the parent in preparation for deregistration.

**15 EVENTS SUBSEQUENT TO REPORTING DATE**

Since 31 December 2013, the following matters significantly affect:

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

- (i) A placement of 1,500,000 Mariner shares at 10 cents per share to contribute \$150,000 as working capital.

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- (ii) Since the 31 December 2013 there is a legal dispute with the vendors of The Hermitage and The Woniara over settlement terms. Mariner is defending its rights under these contracts to acquire The Hermitage and The Woniara and has lodged caveats to protect its legal position.
- (iii) Mariner has executed a Terms Sheet to acquire a portfolio of rental assets for \$13,000,000.00. This acquisition is supported by vendor finance and is scheduled to settle on or before 15 March 2014

**16 FAIR VALUE MEASUREMENT**

Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

Description	Fair Value Measurements at 31 December 2013 Using:		
	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
<b>Recurring fair value measurements</b>			
Securities held for trading (fair value through profit or loss):			
Investments in shares of listed corporations			
– financial sector	7,893	-	-

Description	Fair Value Measurements at 30 June 2013 Using:		
	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
<b>Recurring fair value measurements</b>			
Securities held for trading (fair value through profit or loss):			
Investments in shares of listed corporations			
– financial sector	10,852	-	-

**MARINER CORPORATION LIMITED AND CONTROLLED ENTITIES**  
**NOTES TO THE INETRIM FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

**17 GOING CONCERN**

The consolidated net loss after tax attributable to members of the Company for the period was \$336,246 as at 31 December 2013 and had a negative cash outflow from operating activities during the period of \$129,097 with a working capital deficit of \$1,316,718 at 31 December 2013.

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

In reaching this conclusion, the Directors have had regard to, amongst other things, the following:

- Capital raising via placement for 1,500,000 Mariner shares at 10 cents per share to contribute \$150,000 as working capital over the next 12 months.
- Cash flow generated from the proposed acquisition of rental assets in the short term..
- Planned future capital raisings through investor participation.
- Combination of all the above.

**18 CONTINGENCIES**

Other than the following, there are no contingent assets or contingent liabilities as at 31 December 2013.

- The Group has a premises lease maturing in December 2016. The landlord has agreed that the premises be vacated at the end of February 2010. At this stage the potential liability for the early termination is unknown. The Group previously paid an amount of \$655,568 to the landlord in relation to the termination of the lease. However, the Group is unable to reliably measure if there is any further liability arising from early termination. The premises have been relet which will limit the potential liability.
- The company may incur damages in relation to the settlement dispute with the vendors of the retirement assets. It is uncertain whether such claims for damages will be made against the company and a figure cannot be estimated reliably at this stage.

**19 OPERATING SEGMENTS**

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

**20 CONTROL GAINED OR LOST OVER ENTITIES HAVING A MATERIAL EFFECT**

The Group has not gained or lost control over any entity during the financial period.

## DIRECTORS' DECLARATION

The directors of Mariner Corporation Limited ('the Company') declare that:

1. the financial statements and notes set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including:
  - a) complying with Accounting Standards AASB 134 Interim Financial Reporting, and
  - b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
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.

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



DONALD CHRISTIE  
CHAIRMAN

Dated this 28<sup>th</sup> day of February 2014.

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

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

**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Mariner Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

***Directors' Responsibility for the Half-Year Financial Report***

The directors of Mariner Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Mariner Corporation Limited's financial position as at 31 December 2013 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 Mariner Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

***Independence***

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

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**Basis for Qualified Conclusion**

Included in other receivables is a deposit on land of \$ 312,500 to acquire The Hermitage retirement village under a contract and a non refundable negotiation fee of \$ 380,000 to acquire The Woniara retirement village under a deed of assignment. There is a current legal dispute with the vendors of The Hermitage and The Woniara over settlement terms. We have been unable to obtain sufficient evidence regarding the recoverability of these amounts should settlement not take place. Should the settlement not take place the assets may be impaired and if this occurred the net assets would decrease by \$ 692,500.

**Conclusion**

Based on our review, which is not an audit, expect for the possible effects of the matter described in the Basis for Qualified Conclusion we have not become aware of any matter that makes us believe that the half-year financial report of Mariner Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of Mariner Corporation Limited's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

**Emphasis of matter**

Without modifying our conclusion, we draw attention to Note 16 in the half year financial report which indicates that the consolidated entity incurred a net loss of \$ 336,245 to 31 December 2013. In addition the consolidated entity had a negative cash outflow from operating activities during the period of \$ 129,097 and a working capital deficit of \$1,316,718. These conditions, along with other matters as set forth in Note 16 and the matter described in the Basis for Qualified Conclusion, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report



Hall Chadwick  
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Sydney NSW 2000



**DREW TOWNSEND**  
Partner

Date: 28 February 2014