



THORNEY OPPORTUNITIES LTD

ABN 41 080 167 264

APPENDIX 4E (Listing Rule 4.3A)

Preliminary final report for the year ended 30 June 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET (All comparisons to year ended 30 June 2022)

	\$'000s	Movement \$'000	Up/ Down	Movement %
Revenue from ordinary activities	15,564	18,541	Up	>100%
Profit before tax for the year	10,372	16,277	Up	>100%
Profit after tax for the year	10,860	14,584	Up	>100%

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2023 Final dividend cents per share	1.45	1.45	25.0%
2023 Interim dividend cents per share	1.05	1.05	25.0%
2022 Final dividend cents per share	1.40	1.40	25.0%

2023 Final dividend dates

Ex-dividend date	7 September 2023
Record date	8 September 2023
Payment date	29 September 2023

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) will not operate in respect of the 2023 Final dividend.

	30 June 2023	30 June 2022	Movement
Net tangible asset backing (after tax) per share	70.0 cents	66.4 cents	Up 5.4%

This information should be read in conjunction with the 2023 Annual Report of Thorney Opportunities Ltd and any public announcements made in the period by Thorney Opportunities Ltd in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and *Listing Rules*.

This report is based on the financial statements of Thorney Opportunities Ltd which have been audited by Ernst and Young.

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ANNUAL REPORT 2023

THORNEY OPPORTUNITIES LTD
ABN: 41 080 167 264

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THORNEY

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Financial highlights 2023

FY23 total dividend increased 4.2%

FINAL DIVIDEND

1.45

cents per share fully franked

TOTAL DIVIDENDS FOR FY23

2.5

cents per share fully franked

\$0.4 million

increase in fair value of 20 Cashews Pty Ltd

70.8 cents

NTA per share before tax

70.0 cents

NTA per share after tax

4.9%

increase on FY22

5.4%

increase on FY22

Chairman's Letter

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Dear fellow TOP shareholder,

I am pleased to report that the TOP investment portfolio performed strongly in FY23 despite extreme pressure in global markets due to interest rate hikes by central banks and ongoing concerns about the macroeconomic outlook.

The TOP investment portfolio finished the year ended 30 June 2023 up 8.81%, outperforming the S&P Small Ordinaries Index with TOP's net tangible assets (NTA) after tax and fees as at 30 June 2023 at 70.0 cps.

“Notwithstanding this environment, we continue to believe that TOP’s value-based investment approach will deliver strong performance for shareholders, along with dividends, over time.”

Directors have declared a fully franked final dividend of 1.45 cps which, on top of the interim dividend of 1.05 cps, brings TOP's total dividend payout for the year to 2.50 cps fully franked compared to 2.40 cps in FY22. The higher dividend payout is in line with TOP's previously stated aim of delivering increased dividends to shareholders whenever possible over time and represents a fully franked dividend yield of around 5%.

TOP's performance amid challenging and unpredictable market conditions was, in part, due to our current weighting towards infrastructure and resource services companies. This exposure is the result of both an adherence and emphasis to one of our key investment criteria, being the strategic and execution leadership demonstrated by investee company key management and directors. A significant component of our investment approach is to first focus on understanding the company strategy following which a critical assessment is undertaken which considers the capability of key management to execute in a timely and efficient manner with appropriate financial disciplines in place. As it relates to the key portfolio positions, we believe that this characteristic is well and truly intact.

Of the infrastructure and resource services companies in the portfolio, many enjoyed strong returns over FY23, some examples being:

- MMA Offshore Limited (ASX. MRM) was one such example. The stock rose 105% during FY23 as a result of significant contract wins and the conclusion of the sale of its Batam shipyard facility in Indonesia which completed its non-core asset divestment program. TOP remains confident in MRM's continued earnings growth potential due to increased fleet utilisation, rising vessel rates and growing service revenue.

- Another key holding, Austin Engineering Limited (ASX.ANG), also performed well operationally during FY23, in spite of a small mid-year hiccup, justifying TOP's long term support of the company. We believe ANG is well positioned to deliver strong earnings performance in FY24 due to its leverage to the buoyant resources markets, expanded capacity and product offering, operational efficiencies and a strong order book.
- Southern Cross Electrical Engineering Limited (ASX.SXE) also enjoys a strong order book and pipeline and coupled with the Company's recent success in winning a number of new contracts and continued diversification of revenue provides the basis for our continued optimism for the company.

TOP's largest unlisted holding, 20 Cashews, which owns 100% of Australian Community Media (ACM), launched a new digital property group, View Media Group (VMG) in August 2022 following an investment of cash and media services by Seven West Media Limited (ASX.SWM). In February 2023, ANZ Group (ASX.ANZ) invested \$50 million in VMG, taking a strategic shareholding of approximately 20%. As at 30 June 2023, 20 Cashews retains an interest of approximately 30% in VMG. The investments by SWM and ANZ have provided VMG with outstanding media and financial services partners, ones which have the audience reach and financial resources to scale its operations and execute on its ambitions to disrupt the Australian real estate transactions market. We are optimistic about VMG's ability to realise its ambitions.

We are similarly positive on ACM's continued business transformation with the Company continuing to rationalise its publication portfolio and cost structure and selling more non-core assets during FY23.

Whilst I am very optimistic about TOP's long-term growth prospects, like all shareholders, I remain disappointed that TOP's share price has continued to trade below its NTA. Directors, the investment team and I remain focused on continually reducing and preferably eliminating this unjustified discount gap. The company's ongoing share buyback program is part of this strategy.

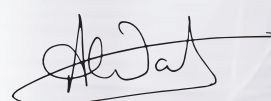
Outlook

Volatility across equity markets is expected to continue in the year ahead given that both the RBA and US Federal Reserve have not ruled out further interest rises, despite the RBA taking a pause in early August.

The on-going risks relating to geopolitical issues and an economic slowdown continue to be in the forefront of investors' minds.

Notwithstanding this environment, we continue to believe that TOP's value-based investment approach will deliver strong performance for shareholders, along with dividends, over time.

My sincere thanks go to my fellow TOP Directors, to the outstanding Thorney investment management team and to all TOP shareholders for your continued support.



Alex Waislitz, Chairman
21 August 2023

Director's Report

The directors present their report, together with the financial statements of Thorney Opportunities Ltd (TOP or Company), for the year ended 30 June 2023 and the auditor's report thereon.

1. Directors

The directors of TOP in office at the date of this report or at any time during the financial year are as follows:

NAME	PERIOD OF DIRECTORSHIP
Alex Waislitz	Appointed 21 November 2013
Henry D. Lanzer AM	Appointed 21 November 2013
Ashok Jacob	Appointed 21 November 2013, resigned 17 April 2023
Dr Gary H. Weiss AM	Appointed 21 November 2013

Information on directors

ALEX WAISLITZ OAM B.EC, LLB,
NON-EXECUTIVE CHAIRMAN



Alex Waislitz was appointed Chairman of the Company on 21 November 2013.

Mr Waislitz is Chairman of Thorney Technologies Ltd and is the founder and Chairman of the private Thorney Investment Group, one of Australia's most successful private investment groups. He has extensive business and capital markets experience and has been a member of several public company boards.

Mr Waislitz was the Vice President of the Collingwood Football Club Limited where he served as director between 1998-2021.

He also served on the boards of Zoos Victoria Foundation Board and the Victorian State Government Zoological Parks and Gardens between 2010 and 2012. He joined the International Advisory Board of Maccabi World Union in 2012 and is a former member of the International Advisory Board for the MBA program at Ben Gurion University School of Management.

Mr Waislitz has established registered charities; the Waislitz Foundation and the Waislitz Family Foundation. These charities focus on community projects, education, health, indigenous programs and the arts.

In June 2023 Mr Waislitz was awarded a Medal of the Order of Australia.

Mr Waislitz is a graduate of Monash University in Law and Commerce and a Graduate of the Harvard Business School OPM Program.

1. Directors continued

**HENRY D. LANZER AM B.COM., LLB (MELB),
NON-EXECUTIVE DIRECTOR**



Henry D. Lanzer AM was appointed a director of the Company on 21 November 2013 and was Chairman of the TOP Audit and Risk Committee up until August 2022.

Mr Lanzer is Managing Partner of Arnold Bloch Leibler - a leading Australian commercial law firm - and has over 40 years' experience in providing legal and strategic advice to some of Australia's leading companies.

Mr Lanzer is also a director of Premier Investments Limited, a director of Just Group Limited and previously a director of the TarraWarra Museum of Art. He is a Life Governor of the Mount Scopus College Council. In June 2015 Mr Lanzer was appointed as a Member of the Order of Australia.

**DR GARY H. WEISS AM LLB(HONS), LLM (WITH DIST.), J.S.D.,
NON-EXECUTIVE DIRECTOR, LEAD INDEPENDENT DIRECTOR**



Dr Gary H. Weiss AM was appointed a director of the Company on 21 November 2013 and was appointed Chairman of the TOP Audit and Risk Committee on 26 August 2022.

Dr Weiss has considerable expertise in financial services businesses and extensive international business experience.

He holds several directorships including as director of Ariadne Australia Limited (since November 1989) and as Chairman of Ardent Leisure Group Limited and Estia Health Limited.

Other current directorships include Hearts & Minds Investments Limited and Cromwell Property Group. Dr Weiss is also a Commissioner of the Australian Rugby League Commission. In June 2019 Dr Weiss was appointed as a Member of the Order of Australia.

Dr Weiss' previous directorships include The Straits Trading Company Limited, Ridley Corporation Ltd, Guinness Peat Group plc, Premier Investments Limited, Pro-Pac Packaging Limited, Tag Pacific Limited, Westfield Group, Coats plc (Chairman), ClearView Wealth Limited (Chairman), Mercantile Investment Company Limited, Tower Australia Limited, Australian Wealth Management Limited, Tyndall Australia Limited (Deputy Chairman), Joe White Maltings Limited (Chairman), CIC Limited, Whitlam Turnbull & Co Limited and Industrial Equity Limited.

**ASHOK JACOB B.SC, MBA,
FORMER NON-EXECUTIVE DIRECTOR**

Ashok Jacob was appointed a director of the Company on 21 November 2013 and resigned as a director on 17 April 2023.

Director's Report

2. Company Secretary

CRAIG SMITH B.BUS (ACCT), GIA(CERT),
SECRETARY



Craig Smith CPA, ACIS was appointed secretary of the Company on 21 November 2013.

Mr Smith has been the Chief Financial Officer of the private Thorney Investment Group since 2008, was appointed company secretary of Thorney Technologies Ltd in 2016 and is a director and company secretary of Anaeco Limited.

Prior to joining Thorney, Mr Smith held CFO / Company Secretarial roles with ASX listed companies Baxter Group Limited and Tolhurst Noall Limited.

3. Principal activities

Thorney Opportunities Ltd is an investment company listed on the Australian Securities Exchange (ASX: TOP). Its principal activity is making investments in listed and unlisted securities.

There have been no changes in the nature of these activities during the 2023 financial year.

4. Result

The Company's profit before tax for the 2023 financial year was \$10,371,670 (2022: \$5,905,763 loss) and the net profit after tax was \$10,860,241 (2022: \$3,723,305 loss).

5. Dividends

On 21 August 2023 the Board declared a final fully franked dividend of 1.45 cents per share (2022 Final dividend: 1.40 cents per share). The tax rate for imputation purposes will be at 25%, which is the maximum allowable under Australian taxation law (i.e. 100% fully franked). The Dividend Reinvestment Plan (DRP) will not operate in respect of the 2023 Final dividend.

The Final dividend will be paid to shareholders on 29 September 2023. The total dividend of approximately \$2,750,399 has not been recorded as a liability in the financial accounts. The dividends will be paid to all shareholders who are duly recorded on the register of members as at 5pm on Thursday, 7 September 2023.

The fully franked 2023 Interim dividend of 1.05 cents per share was paid on 31 March 2023.

The fully franked 2022 Final dividend of 1.40 cents per share was paid on 30 September 2022.

6. Review of operations

Over the course of the financial year ended 30 June 2023, the Company's net tangible assets increased by \$3,753,737 to \$133,055,599 (2022: \$129,301,862). The increase principally reflects mark to market increase in the market value of the Company's portfolio for the twelve-month period, and marginal increase in the fair value of TOP's investment in 20 Cashews Pty Ltd (20C).

TOP's five largest listed portfolio holdings MMA Offshore Ltd (MRM), Austin Engineering Ltd (ANG), Solvar Ltd (SVR), Southern Cross Electrical Engineering Ltd (SXE), and Service Stream (SSM) represent approximately 50% of total assets. Of the top 5, MRM, ANG, SXE and SSM all closed stronger compared to 30 June 2022, whilst holdings in SVR Ltd closed lower over the period. The increase in the NTA over the period was attributable to the positive performance in the listed portfolio as well as some smaller gains in the unlisted positions.

Cash and short-term deposits as at 30 June 2023 was \$4,323,402 (2022: \$3,485,665). The net increase predominately reflects an increase in cash from operating activities of \$7,944,241, payments made in relation to the Share buy-back totalling \$2,382,280, and dividends paid of \$4,724,224.

During the year 4,464,316 shares have been bought back at a cost of \$2,380,102 with an average of 53.31 cents per share. (2022: 3,433,583 shares bought back for \$1,831,397, with an average of 53.33 cents per share)

During FY23 the Company lodged change of interest of substantial holder notices for SVR, TNY and ISU. The Company ceased to be a substantial holder for AMA and RFG.

7. Financial position

The Company's net tangible assets can be summarised as follows:

Net tangible asset backing per share	2023	2022
Net tangible assets	\$133,055,599	\$129,301,862
Shares on issue	190,199,600	194,663,916
Net tangible assets after tax per share	70.0 cents	66.4 cents

8. Prospects

The Company remains committed to maintaining its disciplined approach to investing.

The Board is optimistic that, in this challenging economic environment, opportunities which may be attractive to the Company will continue to emerge over the coming period.

9. Material business risks

The material business risks that have been identified for the Company are investment risk and operational risk. With an investment mandate that has exposures to small and medium size capitalisation companies, TOP will always bear market risk as it invests its capital in assets that are not risk free. Investment risk covers investment strategy, leverage, investment manager, market price, collateral, credit, counterparties, liquidity, unlisted early stage and small cap businesses, portfolio turnover, derivatives, diversification, foreign currency, outsourcing, interest rates and the regulatory environment. Operational risks include key person risk, regulatory risk and cyber security risk.

Our risk management framework, which is overseen by our Audit & Risk Committee, has been designed to monitor, review and continually improve risk management at the Company.

10. Events subsequent to balance date

There were no events subsequent to balance date.

Director's Report

11. 2023 Remuneration report (Audited)

This report outlines the Key Management Personnel remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

For the purposes of the report, Key Management Personnel are defined as those persons and corporate entities having authority and responsibility for planning, directing and controlling activities of the Company.

For Thorney Opportunities Ltd the Key Management Personnel are the Non-executive Directors and the Investment Manager.

(a) Remuneration of Directors

The Non-executive Directors are remunerated by the Company. It is the policy of the Board to remunerate Directors at market rates commensurate with the responsibilities undertaken by Non-executive Directors. The remuneration of the Non-executive Directors is not linked to the performance of the Company.

NON-EXECUTIVE DIRECTORS' FEES

The Non-executive Directors' base remuneration is reviewed annually. During the period there was an adjustment, commensurate with the Superannuation Guarantee rate increase. The amount of base remuneration is not dependent on the satisfaction of a performance condition, or on the performance of the Company, the Company's share price, or dividends paid by the Company.

NON-EXECUTIVE CHAIRMAN'S FEES

For his role as Chairman and director of TOP, the Non-executive Chairman, Alex Waislitz, receives zero directors' fees and zero retirement benefits.

RETIREMENT BENEFITS FOR DIRECTORS

The Company does not provide retirement benefits (other than superannuation) to the Non-executive Directors. The Investment Manager does not provide retirement benefits (other than superannuation) to the Non-executive Chairman.

OTHER BENEFITS (INCLUDING TERMINATION) AND INCENTIVES

The Company does not pay other benefits and incentives to the Non-executive Directors. The Company and the Investment Manager do not pay other benefits and incentives to the Non-executive Chairman.

(b) Remuneration of the Investment Manager

The Investment Manager (Thorney Management Services Pty Ltd) is a corporate entity controlled by Mr Waislitz that has specified authority and responsibility in regard to the management of the Company's investment portfolio and is remunerated by the Company in accordance with the Investment Management Agreement (IMA) between the Company and the Investment Manager. In February 2023, the Investment Manager gave notice to TOP to extend the IMA for a further 7 years expiring 21 November 2030.

In respect of the year ended 30 June 2023, the Investment Manager was entitled to:

- a Base Fee of \$2,121,941 (GST exclusive), being a Base Fee equal to 0.75% per half year of the gross asset value of the Company, payable half-yearly in arrears, calculated as at the last business day of the relevant half-year; and
- a Performance Fee of \$2,280,569. The fee is the greater of zero and the amount calculated as 20% of the Increase Amount. The Increase Amount is the adjusted Net Asset Value for the current period less the Net Asset Value from the previous period and less a hurdle, equivalent to the value of any Base Fee paid or accrued. Performance fee entitlements are calculated on an annual basis, commencing on 1 July of each financial year. If there is no Increase Amount for a financial year, the shortfall is not carried forward and not deducted from any increase in future financial year(s) for the purposes of calculating future Performance Fees.

11. 2023 Remuneration report (Audited) continued

(c) Details of Remuneration

Key Management Personnel (KMP) received the following remuneration amounts:

2023	Short term benefits		Post-employment benefits	Total (\$)
	Fees (\$)	Other (\$)	Superannuation (\$)	
Alex Waislitz	-	-	-	-
Ashok Jacob ¹	39,792	-	4,178	43,970
Henry Lanzer ²	55,250	-	-	55,250
Dr Gary Weiss	53,063	-	2,187	55,250
Total KMP remuneration	148,105	-	6,365	154,470

2022	Short term benefits		Post-employment benefits	Total (\$)
	Fees (\$)	Other (\$)	Superannuation (\$)	
Alex Waislitz	-	-	-	-
Ashok Jacob ¹	50,000	-	5,000	55,000
Henry Lanzer ²	55,000	-	-	55,000
Dr Gary Weiss	50,000	-	5,000	55,000
Total KMP remuneration	155,000	-	10,000	165,000

¹ Mr Jacob resigned as a director on 17 April 2023

² Mr Lanzer's fees are paid or payable to Arnold Bloch Leibler and exclude GST

There were no short-term cash profit sharing and other bonuses, non-monetary benefits, other post-employment benefits, termination benefits or share based payments to Key Management Personnel for the current or the prior year. Arnold Bloch Leibler is a legal firm of which Henry Lanzer is the managing partner.

Director's Report

11. 2023 Remuneration report (Audited) continued

(d) Service Arrangements

The following service arrangements have been agreed between the Company and the Non-executive Directors with respect to remuneration and other terms of employment.

HENRY LANZER

- Commenced 21 November 2013
- No term has been set unless the Director is not re-elected by shareholders of the Company
- Base annual fee of \$55,250 (GST exclusive)

DR GARY WEISS

- Commenced 21 November 2013
- No term has been set unless the Director is not re-elected by shareholders of the Company
- Base annual fee of \$50,000 plus superannuation

ASHOK JACOB

- Commenced 21 November 2013 and resigned as a director on 17 April 2023
- Base annual fee of \$50,000 plus superannuation which was paid pro-rata up to and including 17 April 2023

(e) Employment agreement

The Non-executive Chairman has an employment agreement with Tiga Trading Pty Ltd, a related body corporate of the Investment Manager, not the Company.

- Commenced as Director on 21 November 2013
- No term of agreement has been set unless the Director is not re-elected by shareholders of the Company
- No base salary or other compensation was received from the Company
- The Director is employed under an employment agreement with Tiga Trading Pty Ltd which will continue indefinitely until terminated

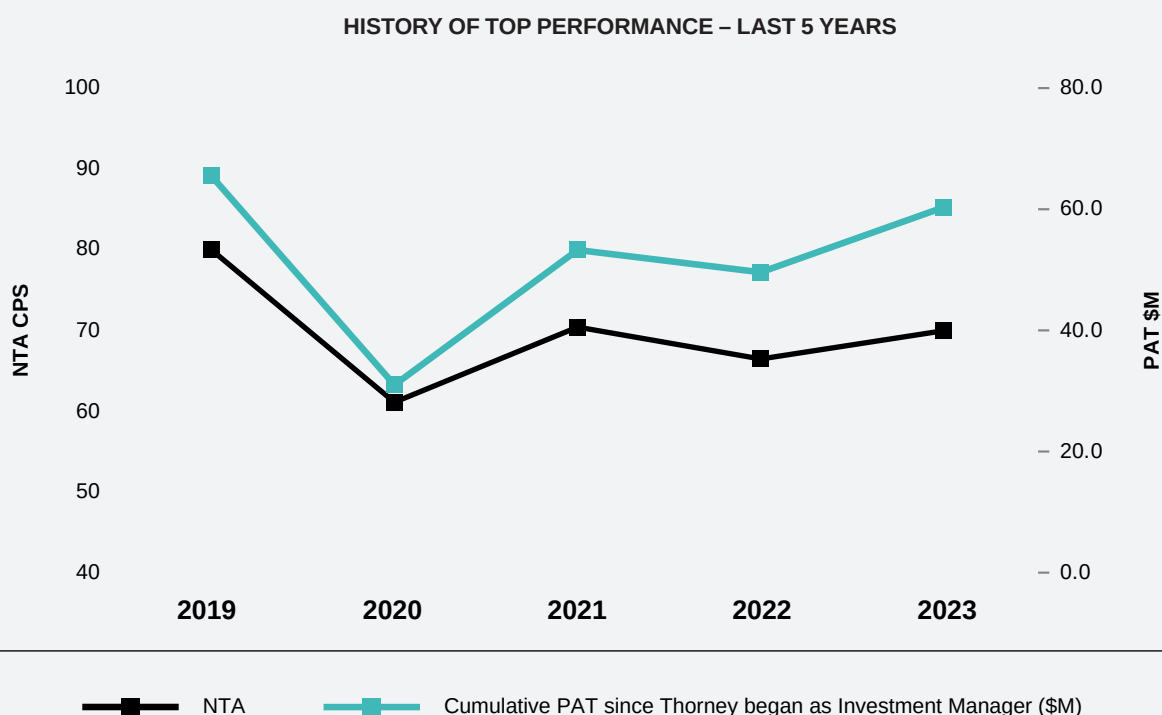
11. 2023 Remuneration report (Audited) continued

(f) History of TOP performance

The table below summarises TOP's key financial performance indicators over the last five financial years.

As at 30 June	Earnings after tax (PAT) \$	EPS (cents per share)	Share price (cents per share)	NTA (after tax) (cents per share)
2023	10,860,241	5.6	48.0	70.0
2022	(3,723,305)	(1.9)	47.0	66.4
2021	22,527,361	11.3	54.5	70.4
2020	(34,917,472)	(17.2)	47.0	61.0
2019	12,045,578	5.9	67.0	80.1

Earnings are for continuing operations only.



Thorney Management Services Pty Ltd (Investment Manager) assumed investment management responsibilities from 21 November 2013 pursuant to an Investment Management Agreement (IMA) approved by shareholders at the 2013 Annual General Meeting. The IMA has been extended for a further 7 years to 21 November 2030.

(End of remuneration report).

Director's Report

12. KMP relevant interests

The number of TOP ordinary shares held by directors and other KMP (or their associates) is as follows:¹

	Balance 30 June 2021	Additions/ (Disposals)	Balance 30 June 2022	Additions/ (Disposals on resignation) ³	Balance 30 June 2023
Directors					
Alex Waislitz ²	60,160,052	-	60,160,052	77,661	60,237,713
Henry Lanzer	125,700	-	125,700	-	125,700
Ashok Jacob ³	1,061,846	-	1,061,846	(1,061,846)	-
Dr Gary Weiss	9,971	-	9,971	-	9,971
Other KMP					
Thorney Management Services Pty Ltd (TMS) ²	60,160,052	-	60,160,052	77,661	60,237,713

¹ The table above includes relevant interests held directly, indirectly or by an associate.

² Pursuant to the Corporations Act 2001 (Cth), Alex Waislitz has a deemed relevant interest in the ordinary shares of TOP held by Thorney Holdings Pty Ltd, Tiga Trading Pty Ltd, Jasforce Pty Ltd and Waislitz Charitable Corporation Pty Ltd. TMS is an associate of Alex Waislitz and each of the foregoing entities, so has been listed in the above table for completeness.

³ Mr Jacob resigned as director on 17 April 2023.

During the year, Thorney Holdings Proprietary Pty Ltd increased its shareholding in the Company by 77,661 shares. All Directors have duly notified the Australian Securities Exchange in accordance with the *Corporations Act 2001* (Cth) of changes in their relevant interests.

13. Board and committee meetings

The number of Board meetings, including meetings of Board Committees, held during the year ended 30 June 2023 and the number of those meetings attended by each Director is set out below:

	Board Meetings		Audit & Risk Committee	
	No. of meetings held while a Director	No. of meetings attended	No. of meetings held while a Director	No. of meetings attended
Alex Waislitz	7	7	4	3
Henry Lanzer ¹	7	7	4	4
Ashok Jacob ²	7	2	4	-
Dr Gary Weiss ¹	7	7	4	4

¹ Dr Weiss was appointed as Chairman of all Audit & Risk Committee meetings in August 2022 replacing Mr Lanzer but who continues as a Committee member. All directors are invited to attend each meeting.

² Ashok Jacob resigned as Director of the Company on 17 April 2023.

14. Environmental regulation

The operations of TOP are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

15. Indemnification and insurance of officers and auditor

TOP has paid insurance premiums in respect of directors' and officers' liability for current and former directors and officers of the Company.

The insurance policies prohibit disclosure of the nature of the liabilities insured against and the amount of the premiums.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from any non-audit services (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

16. Auditor's independence declaration

The Auditor's independence declaration, as required under *section 307C of the Corporations Act 2001*, is set out on page 14.

17. Non-audit services

Details of the amounts paid or payable to Ernst & Young for audit services provided during the year are set out in Note 15 to the financial statements on page 32 of this report.

There were no non-audit services performed by the Company's auditor, Ernst & Young, during the 2023 financial year.

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

On behalf of the Board



Alex Waislitz
Chairman

Melbourne, 21 August 2023



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Auditor's Independence Declaration to the Directors of Thorney Opportunities Ltd

As lead auditor for the audit of the financial report of Thorney Opportunities Ltd for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- (b) no contraventions of any applicable code of professional conduct in relation to the audit; and
- (c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Tony Morse
Partner
21 August 2023

Corporate Governance Statement

Thorney Opportunities Ltd (Thorney Opportunities, TOP or Company) is committed to developing and maintaining an effective system of corporate governance which is commensurate with the size and nature of the Company, its Board and the scope of its operations.

In the *2021 Corporate governance statement*, which is available on the Company's website [here](#), we detail how the Group adheres to the ASX Corporate Governance Principles and Recommendations 4th Edition. Where there is non-adherence we disclose why TOP considers that it is necessary to take a different approach. The updated 2023 statement was approved by the Board on 18 August 2023.

Statement of comprehensive income

For the year ended 30 June 2023

	Note	June 2023 \$	June 2022 \$
Income			
Net changes in fair value of trading investments	3	11,235,879	(10,473,106)
Interest income	3	203,958	9,273
Dividend income	3	4,123,978	7,486,257
Total investment income (loss)	3	15,563,815	(2,977,576)
Expenses			
Management fees		(2,174,989)	(2,236,612)
Performance fees		(2,337,584)	-
Directors' fees		(160,036)	(170,390)
Finance costs		(7)	(30,909)
Fund administration and operational costs		(97,373)	(123,054)
Legal and professional fees		(310,440)	(266,567)
Other administrative expenses		(111,716)	(100,655)
Total expenses		(5,192,145)	(2,928,187)
Profit (loss) before income tax benefit		10,371,670	(5,905,763)
Income tax benefit	4	488,571	2,182,458
Total comprehensive gain (loss) for the year		10,860,241	(3,723,305)
Basic and diluted gain (loss) per share (cents)	13	5.64	(1.89)

The statement of comprehensive income should be read in conjunction with the notes to the financial statements.

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Statement of financial position

As at 30 June 2023

	Note	June 2023 \$	June 2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	6	4,323,402	3,485,665
Financial assets	7	96,547,733	90,762,394
Receivables	9	637	812,771
Prepayments		34,924	34,477
Total current assets		100,906,696	95,095,307
Non-current assets			
Financial assets	7	37,421,165	37,407,130
Deferred tax assets	4	-	-
Total non-current assets		37,421,165	37,407,130
TOTAL ASSETS		138,327,861	132,502,437
LIABILITIES			
Current liabilities			
Payables and accruals	10	3,672,204	1,111,946
Total current liabilities		3,672,204	1,111,946
Non-current liabilities			
Deferred tax liabilities	4	1,600,058	2,088,629
Total non-current liabilities		1,600,058	2,088,629
TOTAL LIABILITIES		5,272,262	3,200,575
NET ASSETS		133,055,599	129,301,862
EQUITY			
Issued capital	11	98,142,357	100,524,637
Reserve	12	176,215,700	153,530,462
Accumulated losses		(141,302,458)	(124,753,237)
TOTAL EQUITY		133,055,599	129,301,862

The statement of financial position should be read in conjunction with the notes to the financial statements.

Statement of changes in equity

For the year ended 30 June 2023

	Issued Capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	100,524,637	153,530,462	(124,753,237)	129,301,862
Profit after tax for the year	-	-	10,860,241	10,860,241
Total comprehensive income for the year	-	-	10,860,241	10,860,241
Transfer to Profits Reserve	-	27,409,462	(27,409,462)	-
<u>Transactions with shareholders:</u>				
Dividends paid	-	(4,724,224)	-	(4,724,224)
Share Buy-back	(2,380,102)	-	-	(2,380,102)
Cost of Share buy-back	(2,178)	-	-	(2,178)
Total transactions with shareholders	(2,382,280)	(4,724,224)	-	(7,106,504)
Balance as at 30 June 2023	98,142,357	176,215,700	(141,302,458)	133,055,599

For the year ended 30 June 2022

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	102,356,034	135,763,063	(98,630,606)	139,488,491
Loss after tax for the year	-	-	(3,723,305)	(3,723,305)
Total comprehensive loss for the year	-	-	(3,723,305)	(3,723,305)
Transfer to Profits Reserve	-	22,399,326	(22,399,326)	-
<u>Transactions with shareholders:</u>				
Dividends paid	-	(4,631,927)	-	(4,631,927)
Share Buy-back	(1,831,397)	-	-	(1,831,397)
Cost of Share buy-back	-	-	-	-
Total transactions with shareholders	(1,831,397)	(4,631,927)	-	(6,463,324)
Balance as at 30 June 2022	100,524,637	153,530,462	(124,753,237)	129,301,862

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the year ended 30 June 2023

		June 2023 \$	June 2022 \$
Cash from operating activities:			
Interest received		203,958	9,273
Dividends received		4,123,978	7,486,257
Proceeds from sale of trading investments		13,736,572	19,108,869
Payments for trading investments		(8,300,066)	(14,752,561)
Payments to suppliers and employees		(1,820,201)	(9,182,344)
Finance costs		-	(30,909)
Net cash provided by operating activities	6	7,944,241	2,638,585
Cash flows from investing activities:			
Proceeds from repayment of investments		-	5,250,000
Payment for long-term investments		-	(650,002)
Net cash provided by investing activity		-	4,599,998
Cash flows from financing activities:			
Payment for Share Buy-back		(2,380,102)	(1,831,397)
Payment for Share Buy-back costs		(2,178)	-
Dividends paid		(4,724,224)	(4,631,927)
Net cash (used in) financing activities		(7,106,504)	(6,463,324)
Net increase in cash held		837,737	775,259
Cash at the beginning of the year		3,485,665	2,710,406
Cash at the end of the year		4,323,402	3,485,665

The statement of cash flows should be read in conjunction with the notes to the financial statements.

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Notes to the Financial Statements

1. Corporate information

The financial statements of Thorney Opportunities Ltd and its subsidiary (collectively TOP or the Company) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 21 August 2023.

Thorney Opportunities Ltd is a Company limited by shares, incorporated and domiciled in Australia.

The nature of the operations and principal activities of the Company are described in the director's report.

The Company's investment activities are managed by Thorney Management Services Pty Ltd (Investment Manager) pursuant to an Investment Management Agreement approved by shareholders.

2.1 Summary of accounting policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Accounting Standards Board. The financial statements are presented in Australian Dollars and the Company is a for-profit entity for the purpose of preparing financial statements.

The annual report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value.

Statement of compliance

The financial statements have been prepared in accordance with the Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

Changes in Accounting Standards

The Company has adopted a number of new and amended Australian Accounting Standards and AASB interpretations for the reporting period, included in the following list. There is no significant impact in the application of these standards for the reporting period ended June 2023.

Reference	Title	Application date	Application for TOP
AASB 2020-3 Amendment to AASB 1	Subsidiary as a First-time Adopter (Part of Annual Improvements 2018–2020 Cycle)	1 January 2022	1 July 2022
AASB 2020-3 Amendment to AASB 141	Taxation in Fair Value Measurements	1 January 2022	1 July 2022
AASB 2020-3 Amendment to AASB 9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Part of Annual Improvements 2018-2020 Cycle)	1 January 2022	1 July 2022

Standards issued that might have an impact but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by TOP for the annual reporting period ended 30 June 2023, are outlined in the table below:

Reference	Title	Application date	Application for TOP	Note
AASB 2021-5 Amendment to AAS's	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 July 2023	A
AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134	Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements ⁹ – Disclosure of Accounting Policies	1 January 2023	1 July 2023	A
AASB 2021-6 Amendments to AASs	Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023	1 July 2023	A
AASB 2021-2 Amendments to AASB 108	Definition of Accounting Estimates	1 January 2023	1 July 2023	A
AASB 2023-3 Amendments to AAS's	Disclosure of Non- current Liabilities with Covenants: Tier 2	1 January 2024	1 July 2023	A

A The Company expects no significant impacts when applying the standards

2.1 Summary of accounting policies continued

(b) Basis of consolidation

The Company meets the definition of an Investment Entity under AASB 10 *Consolidated Financial Statements*, as it meets the following criteria:

- the Company obtains funds from shareholders for the purpose of providing them with investment management services;
- the Company's business purpose, which it communicated directly to shareholders, is investing solely for returns from capital appreciation and investment income; and
- the performance of investments made by the Company are measured and evaluated on a fair value basis.

The Company meets all the typical requirements of an investment entity.

The Company has determined that for any entities it controls or has significant influence over, that do not provide investment related services to the Company, consolidated financial statements are not required. The Company's investments in these entities are measured at fair value through profit and loss in accordance with AASB 9.

2.2 Accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary comparative information has been re-presented to be consistent with current period disclosures.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could significantly affect the estimated reported fair value of financial instruments.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details are provided in note 4.

Notes to the Financial Statements

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Financial instruments

(i) Classification

The Company classifies its financial assets and financial liabilities into the categories below in accordance with AASB 9.

Financial assets and liabilities at fair value through profit or loss

The Company has two discrete portfolios of securities, the long-term portfolio and the trading portfolio.

The long-term portfolio relates to holdings of securities which the Directors intend to retain on a long term basis, principally for the purpose of generating capital appreciation. The long-term portfolio is recognised as a non-current asset in the statement of financial position.

The trading portfolio comprises securities acquired principally for the purpose of generating a profit from short-term fluctuation in price. The trading portfolio is recognised as a current asset in the statement of financial position. All derivatives are classified as held for trading.

Other financial liabilities

This category includes all financial liabilities, other than those classified as at fair value through profit or loss. Other financial liabilities are measured at amortised cost. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the carrying amount approximates fair value.

(ii) Recognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

The Company includes in this category equity instruments. Equity instruments include investments in subsidiaries and associates. The following is noted:

- *Investment in subsidiaries:* in accordance with the exemption under AASB 10, investments in subsidiaries are not consolidated, unless the subsidiary does not meet this exemption because it performs services that relate to the investment activity of the Company. Otherwise the Company measures unconsolidated subsidiaries at fair value through profit and loss.
- *Investment in associates:* in accordance with the exemption in AASB 128 Investment in Associates and Joint Ventures, the Company does not account for its investments in associates using the equity method. Instead the Company measures its investments in associates through fair value through profit and loss.

iii) De-recognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- i. The rights to receive cash flows from the asset have expired; or
- ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- iii. Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

2.3 Summary of significant accounting policies continued

a) Financial instruments continued

(iv) Initial measurement

Both the long-term and trading portfolios are classified at initial recognition as financial assets at fair value through profit or loss. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented in the statement of profit or loss.

Dividend income earned on investments held at fair value through profit or loss is recognised in the statement of comprehensive income.

Loans and receivables and financial liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus directly attributable transaction costs, in the case of loans and receivables, and net of directly attributable transaction costs for financial liabilities.

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

(v) Subsequent measurement

After initial measurement, the Company remeasures financial instruments which are classified as at fair value through profit or loss at fair value (see note 7). Subsequent changes in the fair value of those financial instruments are recorded in 'Change in fair value of financial assets and liabilities at fair value through profit or loss'. Interest earned is recorded in 'Interest revenue' according to the terms of the contract. Dividend revenue is recorded in 'Dividend revenue'.

b) Fair value measurement

The Company measures financial assets and liabilities at fair value through profit or loss, such as equity securities and debt instruments, at each balance sheet date.

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.

Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

c) Functional and presentation currency

The Company's functional and presentation currency is the Australian Dollar, which is the currency of the primary economic environment in which it operates. The Company's performance is evaluated and its liquidity is managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Notes to the Financial Statements

2.3 Summary of significant accounting policies continued

d) Interest revenue and expense

Interest earned on financial assets classified as 'at fair value through the profit or loss' is recorded in 'Interest revenue' according to the terms of the contract.

e) Dividend revenue

Dividend revenue is recognised when the Company's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately as tax expense in the Statement of comprehensive income.

f) Fees, commissions and other expenses

Except where included in the effective interest calculation (for financial instruments carried at amortised cost), fees and commissions are recognised on an accrual basis. Legal and audit fees are included within 'Legal and professional fees' and are recorded on an accrual basis.

g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, demand deposits, short term deposits in banks with original maturities of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents is presented as defined above, net of outstanding bank overdrafts.

h) Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- i. When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

i) Profits reserve

The profits reserve is made up of amounts transferred from current and retained earnings that are preserved for future dividend payments.

j) Due to and due from brokers

Amounts due to brokers (refer to Note 10) are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. *Refer to the accounting policy for 'other financial liabilities' for recognition and measurement of these amounts.*

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. *Refer to accounting policy for 'loans and receivables' for recognition and measurement of these amounts.*

2.3 Summary of significant accounting policies continued

k) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

Reduced input tax credits (RITC) recoverable by the Company from the ATO are recognised as a receivable in the Statement of financial position.

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

3. Total investment income

The major components of investment income in the Statement of comprehensive income are:

	June 2023 \$	June 2022 \$
Net (loss) of trading investments ¹	(25,096,157)	(6,478,893)
Unrealised gain (loss) for change in fair value:		
Gain that had been unrealised in prior period for trading investments which were realised in the reporting period ²	23,255,504	5,372,200
Unrealised gain/(loss) for change in fair value of:		
- Trading investments	13,069,653	(29,058,953)
- Long term investments ³	6,879	19,692,540
Unrealised gain (loss) for change in fair value	36,332,036	(3,994,213)
Net changes in fair value of investments	11,235,879	(10,473,106)
Interest income	203,958	9,273
Dividend income	4,123,978	7,486,257
Total investment income	15,563,815	(2,977,576)

¹ Net realised loss of trading investments is the difference between the selling price and the cost of the investments sold during the reporting period.

² Gain that had been unrealised in prior period for trading investments which were realised in the reporting period, represents the 30 June 2023 unrealised fair value adjustments of investments sold in the reporting period.

³ Includes a \$0.4 million fair value gain in 20 Cashews Pty Ltd (June 2022: Gain of \$20.1 million).

Notes to the Financial Statements

4. Income tax

The income tax expense attributable to the year differs from the prima facie amount payable on the profit before tax. The difference is reconciled as follows:

	June 2023 \$	June 2022 \$
Current tax		
Current income tax (benefit)	167,836	(5,053,002)
Deferred tax		
Origination and reversal of temporary differences	(656,407)	2,870,544
Income tax (benefit) recognised in the Statement of comprehensive income	(488,571)	(2,182,458)
Profit (loss) before income tax (expense) benefit	10,371,670	(5,905,763)
Prima facie tax (expense) benefit on gain (loss) from ordinary activities before income tax at 25% (2022: 25%)	(2,592,918)	1,476,441
Deferred income tax (expense) benefit		
- Imputation credits converted to losses	1,767,419	741,587
- Imputation credits on dividends received	(441,855)	(185,397)
- Under / (over) provision of prior years' tax ¹	1,795,150	(56,384)
- Adjustment for change in corporate tax rate	-	(362,490)
- Adjustment for trading stock and long-term investments	(39,769)	570,209
- Other adjustment	544	(1,508)
Income tax benefit recognised in the Statement of comprehensive income	488,571	2,182,458

¹The FY23 adjustment reflects FY22 franking credits converted to tax losses during FY23 and recognised as a deferred tax asset.

	June 2023 \$	June 2022 \$
Deferred tax		
Financial assets	(10,058,327)	(7,155,692)
Long term financial assets	(8,918,938)	(8,917,218)
Business establishment costs	894	780
Other	16,160	18,081
Losses available for offsetting against future taxable income	17,360,153	13,965,420
Net deferred tax (liability)	(1,600,058)	(2,088,629)

At 30 June 2023, the Company has estimated gross revenue tax losses of \$69,440,612 (2022: \$55,861,680) that are available to offset against future taxable revenue profits, subject to continuing to meet relevant statutory tests and have been recognised as a deferred tax asset.

In assessing the probability of the future realisation of carry forward tax losses and the extent to which a deferred tax asset for carry forward losses is to be recognised, the Company has considered market conditions existing at 30 June 2023 and has considered future economic uncertainties in the Company's forecast.

At 30 June 2023 the Company did not exceed the ATO Base Rate Entity (BRE) Aggregate turnover threshold of \$50 million, therefore Company applies a 25% tax rate in the current financial year (2022: 25%).

At 30 June 2023, the Company has estimated unused gross capital tax losses of \$30,714,821 (2022: \$30,714,821) for which no deferred tax asset has been recognised.

5. Dividends

	June 2023 \$	June 2022 \$
(a) Final Dividend FY 2023 not recognised at year end		
Since the end of the year, the Directors have declared a 1.45 cents per share (fully franked) dividend which has not been recognised as a liability at the end of the year (2022: 1.40 cents per share)	2,750,399	2,725,295
(b) Dividend franking account		
Balance at 1 July	2,575,335	719,494
Franking credits received on dividends from investments	1,767,419	3,400,290
Franked dividends paid during the period	(1,574,742)	(1,544,449)
Balance at 30 June	2,768,012	2,575,335
Subsequent to reporting period, the franking account will reduce by the dividend proposed above	916,800	908,432
	1,851,212	1,666,903

The Company's ability to pay franked dividends is fully dependent upon the receipt of franked dividends from investments as while the Company continues to utilise its available tax losses, it will not pay tax. The Company has sufficient franking credits to pay a full franked dividend as prescribed above.

6. Cash and cash equivalents

	June 2023 \$	June 2022 \$
Cash at bank	4,323,402	3,485,665
Total cash	4,323,402	3,485,665

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits when applicable are made for varying periods of between 1 day and 90 days, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The carrying value of Cash and short-term deposits approximates fair value.

a) Reconciliation of net profit after tax to net cash provided by operating activities:

	June 2023 \$	June 2022 \$
Total comprehensive (loss) gain for the year	10,860,241	(3,723,305)
Adjustments for non-cash items:		
Unrealised component of change in fair value of investments	(36,332,036)	3,994,213
Changes in Assets & Liabilities:		
Decrease in receivables	812,134	192,842
Decrease in financial assets	30,532,662	10,881,784
(Increase) in other assets	(447)	(9,361)
Increase / (decrease) in creditors & accrued expenses	2,560,258	(6,468,547)
(Decrease) in other financial liabilities	-	(46,583)
(Decrease) in deferred tax liabilities	(488,571)	(2,182,458)
Net cash provided by operating activities	7,944,241	2,638,585

Notes to the Financial Statements

7. Fair value measurement

To reflect the source of valuation inputs used when determining the fair value of its financial assets and financial liabilities, the Company uses the fair value hierarchy prescribed in AASB 13 *Fair Value Measurement*:

Level 1:	quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2:	valuation techniques using market observable inputs, either directly or indirectly.
Level 3:	valuation techniques using non-market observable data.

The Company invests in both listed and unlisted investments, in order to execute its investment mandate. Listed investments include listed equities and listed derivatives. Unlisted investments include private equity businesses, where the Company invests in financial instruments such as unlisted equities, loan notes and derivatives that are not quoted in an active market.

Listed investments trading in an active market are valued based upon quoted market prices at each balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of listed equities that are actively trading in an active market at 30 June 2023 are classified as Level 1.

Unlisted financial assets (long term financial assets) are valued at fair value in accordance with AASB 13 *Fair Value Measurement*, applying the principles in '*International Private Equity and Venture Capital Valuation Guidelines*'. When there is no observable market data available, the Company uses market-based valuation techniques to determine fair value. The fair value of these investments are classified as Level 3.

The fair value measurement hierarchy of the Company's financial assets and financial liabilities is as follows:

	June 2023 \$	June 2022 \$
Assets measured at fair value		
Level 1: Listed equities	96,547,733	90,762,394
Level 3: Long-term financial assets ¹	37,421,165	37,407,130
Total financial assets	133,968,898	128,169,524
Total current	96,547,733	90,762,394
Total non-current	37,421,165	37,407,130
Liabilities measured at fair value		
Level 1: Exchange traded options	-	-
Total financial liabilities	-	-

Key inputs and sensitivities

¹The largest long-term financial asset is represented by the 25% ownership interest in 20 Cashews Pty Ltd (20C) which holds an underlying investment in the Australian Community Media Group (ACM) (incorporated in Australia). The fair value of TOP's investment in 20C is represented by the relative fair values of ACM (48%), 20C's investment in View Media Group (VMG) (38%), and surplus real estate assets (14%).

The fair value of ACM is determined by a discounted cash flow model (DCF) of the ACM operating business at 30 June 2023.

The DCF valuation includes inputs to the valuation that are considered Level 3 of the fair value hierarchy as the DCF valuation requires assumptions to be made to determine certain inputs that are not based on observable market data.

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

7. Fair value measurement continued

Key inputs and sensitivities continued

At reporting date, the key unobservable inputs used by the Company within its DCF valuation in determining the fair value of the ACM business, together with a quantitative sensitivity analysis as at 30 June 2023 is summarised below:

Unobservable inputs	Description	Sensitivity of the input to the fair value calculation	
EBITDA margin	The EBITDA margin represents the ACM's earnings before interest, tax, depreciation, and amortisation as a percentage of the ACM's total revenue. EBITDA margin of between 11-12% are applied within the forecast period.	1% increase \$3.1 million	1% decrease (\$3.1 million)
EBITDA	The EBITDA represents the ACM's earnings before interest, tax, depreciation, and amortisation.	10% increase \$3.7 million	10% decrease (\$3.7 million)
Long-term growth rate	A long-term growth rate of 0% is used to extrapolate the cash flows of the business beyond the five-year forecast period.	1% increase \$0.87 million	1% decrease (\$0.87 million)
Weighted average cost of capital (WACC)	The WACC (post-tax) of 15% (FY22: 15%) is used to convert the forecast cash flow into present value terms. The WACC considers both the cost of debt and equity. Business-specific risk are incorporated by applying beta factors evaluated based on publicly available market data.	1% increase (\$1.3million)	1% decrease \$1.3 million

Valuation of Level 3 financial instruments

The responsibility for the valuation of unlisted equity and debt instruments is delegated by the Board of Directors of the Group to the investment sub-committee. Review of investment valuations are performed on a regular basis and reviewed by the investment sub-committee.

Investments with a recent transaction: Recent investment

Where an arm's length transaction for an investment has occurred within twelve months to balance sheet date, this transaction is adopted as fair value for the particular investment.

Pre-revenue investments: Milestone approach

When a recent transaction has not occurred, and the investment is considered to be in the early stages of their business and are not yet generating sufficient revenues, earnings and/or cash flows, a *Milestone Approach* is used to determine the investment's fair value. Under this method, the investment's progress is regularly assessed against achieving certain strategic milestones set by the company. The investment's fair value determination takes into account the best information available, such as company and shareholder updates, as well as readily available market participant data and assumptions. The value of loan notes and unlisted equities classified as Level 3 may increase if or decrease depending on the success of start-up operations and capital raisings.

Notes to the Financial Statements

7. Fair value measurement continued

Level 3 transfers

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. Reconciliation of recurring fair value measurements categorised within Level 3 is as follows:

Financial assets:	Financial assets (20C) \$	Unlisted equities \$	Loan Notes \$	Total \$
Balance at 1 July	36,327,950	1,029,180	50,000	37,407,130
Unrealised gain (loss) recognised in Statement of comprehensive income	360,650	(346,615)	-	14,035
Redemption of convertible notes ¹	-	-	-	-
Long-term financial asset additions	-	-	-	-
Balance at 30 June 2023	36,688,600	682,565	50,000	37,421,165
Balance at 1 July	21,500,000	814,588	-	22,314,588
Unrealised gain recognised in Statement of comprehensive income	20,077,950	(385,410)	-	19,692,540
Redemption of convertible notes ¹	(5,250,000)	-	-	(5,250,000)
Long-term financial asset additions	-	600,002	50,000	650,002
Balance at 30 June 2022	36,327,950	1,029,180	50,000	37,407,130

8. Financial assets

	June 2023 \$	June 2022 \$
Financial assets at fair value through profit or loss		
Listed equities ¹ and options	96,547,733	90,762,394
Unlisted equities, notes and warrants ²	37,421,165	37,407,130
Total financial assets	133,968,898	128,169,524
Total current	96,547,733	90,762,394
Total non-current	37,421,165	37,407,130

¹ Measured at fair value using quoted market prices which are deemed a Level 1 input under the fair value hierarchy as prescribed in AASB 13 and disclosed in note 2.3 (b).

² Measured at fair value using Directors' valuations which are deemed a Level 3 input under the fair value hierarchy as prescribed in AASB 13.

9. Receivables

	June 2023 \$	June 2022 \$
Outstanding settlement	-	600,000
Sundry debtor	457	212,602
GST	180	169
Total receivables	637	812,771

Outstanding settlements include amounts receivable from brokers for settlement of security purchases and are settled within 2 days of the transaction. The carrying value of receivables approximates fair value.

10. Payables

	June 2023	June 2022
	\$	\$
Management fee accrual	1,069,303	1,024,271
Performance fee accrual	2,337,584	-
Sundry creditors and accruals	265,317	87,675
Total payables	3,672,204	1,111,946

The Management Fee and Performance Fee are accrued in line with the terms of the Investment Management Agreement and paid within 60 days of receiving an invoice from the Investment Manager. The accrual includes GST after deduction of the reduced input tax credit.

Dividend payable represents unsettled dividend payments to shareholders at year end, which are non-interest bearing and unsecured. Outstanding settlements include amounts due to brokers for settlement of security purchases and are settled within 2 days of the transaction. Sundry creditors are generally paid in accordance with the terms negotiated with each individual creditor.

The carrying value of payables approximates fair value.

11. Issued capital

	2023 Number of shares	2022 Number of shares	2023 \$	2022 \$
(a) Ordinary shares				
Balance at 1 July	194,663,916	198,097,499	100,524,637	102,356,034
Ordinary shares issued:				
Share buy-back	(4,464,316)	(3,433,583)	(2,380,102)	(1,831,397)
Costs of buy-back	-	-	(2,178)	-
Total issued and authorised capital	190,199,600	194,663,916	98,142,357	100,524,637

- (i) Ordinary shares
Ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Company in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.
- (ii) Capital Management
The Board manages and regularly reviews the Company's capital, ensuring that it is deployed in the most efficient manner in order to maximise shareholder value. This involves the Board making decisions in relation to the level of distributions, share buy-backs and other capital management initiatives. The Company is not currently subject to any capital requirements imposed by an external party.
- (iii) Share buy-back
The Company continued its buy-back scheme purchasing 4,464,316 shares valued at \$2,380,102 for the year. Total buy-backs since the Company's initial announcement on 19 December 2019 is 13,419,630 shares valued at \$7,434,418.

12. Reserve

	2023 \$	2022 \$
Profits reserve	176,215,700	153,530,462
<u>Movement in profits reserve:</u>		
Balance at 1 July	153,530,462	135,763,063
Transfers from retained earnings	27,409,462	22,399,326
Dividends paid	(4,724,224)	(4,631,927)
Balance at 30 June	176,215,700	153,530,462

The profits reserve details an amount preserved for future dividend payments.

Notes to the Financial Statements

13. Earnings per share

	2023	2022
Basic and diluted earnings / (loss) per share (cents)	5.64	(1.89)
Earnings / (loss) used in calculating basic and diluted earnings per share (\$)	10,860,241	(3,723,305)
	2023 Number of Shares	2022 Number of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	192,397,537	197,142,342

14. Financial reporting by segments

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the Directors when making strategic, investment or resource allocation decisions.

The Company's assets are located entirely in Australia or are listed on the Australian Securities Exchange.

15. Auditor's remuneration

	2023 \$	2022 \$
Remuneration of the auditor for:		
Audit and review of financial reports	80,200	74,250

16. Financial risk management

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk (which includes interest rate risk and equity price risk) arising from the financial instruments it holds.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

The Company is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, derivatives and other transactions.

It is the Company's policy to enter into financial instruments with reputable counterparties. The Investment Manager closely monitors the creditworthiness of the Company's counterparties (e.g. brokers, custodian, banks etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected.

The Company invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. This is except for the unlisted investments, which represent 27.1% (2022: 29.2%) of total investments which would require a large transaction to take place to realise its investment in its largest unlisted investment 20C. The lead time for such transaction to take place may be significant.

In addition, the Company has no borrowings and has a daily policy to monitor and maintain sufficient cash and cash equivalents to meet normal operating requirements.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. As the Company is a listed investment company with a flexible investment mandate, the Company will always be subject to market risks as the prices of its investment fluctuates with the market.

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investments. The Company manages the equity price risk through adherence to its investment policy and objectives.

At the reporting date, the exposure to listed and unlisted equity securities at fair value was \$133,968,898 (2022: \$128,169,524). A decrease of 10% in share value of securities held could have an impact of approximately \$13,396,890 (2022: \$12,816,952) on the income or equity attributable to the Company. An increase in 10% in share value of securities held would have a similar favourable impact on income and equity.

Interest risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows. The Company is not materially exposed to interest rate risk as the majority of its cash is in short-term deposits with fixed interest rates. The Company's exposure to interest rate relates primarily to cash at bank and borrowings with Prime Broker. Interest rate sensitivities have not been performed as the Company's exposure to interest rate risk is not significant.

Notes to the Financial Statements

17. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the year ended 30 June 2023:

Services from and reimbursements to related parties ¹	2023 \$	2022 \$
<i>Entities with significant influence over the Company:</i>		
Thorney Management Services Pty Ltd (TMS)	4,402,510	2,182,060
TIGA Trading Pty Ltd	52,000	52,000
<i>Related parties of key management personnel of the Company:</i>		
Arnold Bloch Leibler	58,457	66,062

¹ All related party transaction amounts are shown exclusive of GST

The Company entered into an investment management agreement (IMA) with TMS for an initial period of 10 years expiring 21 November 2023. The IMA has been extended for a further 7 years to 21 November 2030.

Under this agreement TMS is entitled to a base fee and a performance fee. For the year ending 30 June 2023 a base fee of \$2,121,941 (2022: \$2,182,060) and a performance fee of \$2,280,569 (2022: Nil) was paid or payable to TMS. The Company must pay TMS within 60 days of receiving an invoice.

TIGA Trading Pty Ltd, a related entity of TMS, employs personnel to provide company secretarial and financial accounts preparation services to Thorney Opportunities Ltd. These services are provided on commercial terms and total \$52,000 for the 2023 financial year (2022: \$52,000).

TMS, TIGA Trading Pty Ltd, Thorney Holdings Pty Ltd and Thorney Investment Group Australia Pty Ltd are related bodies corporate controlled by Alex Waislitz by virtue of 608(1) of the *Corporations Act (2001)*.

TOP frequently co-invests in financial assets alongside Thorney Investment Group, some other private entities controlled by Alex Waislitz and Thorney Technologies Ltd (TEK). All these entities are 'associates' in respect of TOP pursuant to section 12(2)(a)(iii) of the *Act* by virtue of them being commonly controlled by Mr Alex Waislitz who, pursuant to section 50AA of the *Act*, has the capacity to determine the outcome of decisions about the financial and operating policies of each of these entities. Where the combined shareholding of the associates exceeds 5% of the voting shares of a listed investee entity, TOP lodges its own substantial shareholder notice with the ASX pursuant to section 671B of the *Act*.

While the Investment Manager maintains a primary buy/hold/sell strategy for each managed investee company, from time to time an investee company may, for commercial reasons such as cash flow or tax management, execute a trade with a divergent view. To mitigate any actual, perceived or potential conflicts of interest, the Investment Manager maintains a register which is regularly presented to the Board via compliance reports.

During the year, the Company engaged Arnold Bloch Leibler, a legal firm of which Henry Lanzer is the managing partner, to provide legal advice totalling \$3,207 (2022: \$11,062).

In accordance with the terms of Mr Lanzer's appointment, a payment of \$55,250 was paid or payable to Arnold Bloch Leibler as remuneration for his role as a Director of the Company (2022: \$55,000).

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

Key Management Personnel received the following remuneration amounts:

	2023 \$	2022 \$
Short-term benefits	148,105	155,000
Post-employment benefits	6,365	10,000
Total remuneration	154,470	165,000

18. Contingent liabilities and commitments

The Company has no contingent liabilities or commitments as at 30 June 2023.

19. Events subsequent to balance date

There were no events subsequent to balance date.

20. Parent entity information

The parent entity information is materially consistent with the financial information as the Company's unconsolidated subsidiary has not commenced trading.

21. Group information

The parent entity is Thorney Opportunities Ltd and its unconsolidated subsidiary is detailed in the following table:

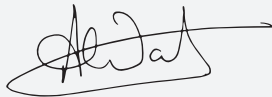
Name of entity	Country of incorporation	Ownership	
		2023	2022
Subsidiary 87 Truca Pty Ltd	Australia	100%	100%

Director's declaration

In accordance with a resolution of directors of Thorney Opportunities Ltd, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of Thorney Opportunities Ltd for the financial year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the year ended on that date;
 - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.1; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

On behalf of the Board,



Alex Waislitz
Chairman

Melbourne, 21 August 2023

Independent Auditor's Report to the Members of Thorney Opportunities Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Thorney Opportunities Ltd (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 (including Independence Standards)* (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Fair value measurement and existence of investments

Why significant

The Company invests in listed and unlisted financial assets valued at \$133.9 million at 30 June 2023, which represents 97% of the total assets of the Company.

The investment portfolio includes \$96.5 million of listed equities and \$37.4 million equity investments in unlisted companies.

As outlined in Note 7 to the financial report, these assets are carried at fair value through profit and loss. For listed equities fair value is assessed based on quoted prices in active markets at reporting date. For unlisted investments, the Company prepares a valuation using a discounted cash flow model or by reference to recent transactions. The assumptions used in the discounted cash flow model require significant judgement as there are no observable market inputs.

The fair value measurement and existence of investments is a key audit matter due to the size of the investment portfolio and the significant judgement involved in valuing the unlisted investments.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ For the listed equity investments:
 - ▶ Obtained and considered the independent assurance report that describes the effectiveness of the operational processes and controls of the Company's asset custodian.
 - ▶ Agreed the quantity of listed equity investments to the custodial statement.
 - ▶ Agreed the fair value of equity investments to market closing prices at reporting date.
- ▶ For unlisted investments, with the assistance of our valuation and modeling specialists we:
 - ▶ Assessed the reasonableness of key assumptions applied in the discounted cash flow model including discount rates, forecast cash flows, terminal growth rates and, where applicable, evidence of recent transactions.
 - ▶ Tested the mathematical accuracy of the discounted cashflow model.
 - ▶ Agreed the number of securities held to custodial records and independent sources, where applicable.
- ▶ Assessed the adequacy of the disclosures included in Note 7 to the financial report.

Investment management and performance fees

Why significant

The Company pays its Investment Manager, Thorney Management Services Pty Ltd (TMS), related party fees as stipulated in the Investment Management Agreement (IMA). There is a base management fee of 0.75% of gross assets and a performance fee of 20% of the increase in net asset value net of base management fee for the year. The base management fee is calculated half yearly while the performance fee is calculated on an annual basis.

How our audit addressed the key audit matter

Our audit procedures included the following:

- ▶ Determined whether the calculation of the base management fee and performance fee expenses were in accordance with the IMA.
- ▶ Agreed key inputs used in the base management fee and performance fee calculations, including gross assets, in the case of base management fees, and the net asset increase, in the case of performance fees, to the statement of financial position.

Why significant	How our audit addressed the key audit matter
For the year ended 30 June 2023, a base management fee of \$2.2 million was recognised. For the year ended 30 June 2023 performance fee of \$2.4 million was recognised. Investment management and performance fees is a key audit matter because they are of interest to key stakeholders as they represent significant expenses and are paid to a related party.	▶ Recalculated the base management fee and performance fee and compared the recalculated amounts to the expenses recognised in the statement of comprehensive income. ▶ Assessed the adequacy of the disclosures included in Note 10 to the financial report.

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 included in the Company's Annual Report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 this 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 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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 the 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 Company'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 directors' 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 Company'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 Company 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.

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, actions taken to eliminate threats or safeguards applied.

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

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 12 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Thorney Opportunities Ltd for the year ended 30 June 2023, complies with section 300A 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 section 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.



Ernst & Young



Tony Morse
Partner

Melbourne
21 August 2023

Shareholder information

As at 18 August 2023

Voting rights

All ordinary shares carry one vote per share without restriction.

Distribution of shareholders

Category	Ordinary Shareholders
1 – 1,000 shares	334
1001 – 5,000 shares	359
5001 – 10,000 shares	200
10,001 – 100,000 shares	699
100,001 or more shares	211
Total number of holders	1,803
Number of shareholders holding less than a marketable parcel	339

20 largest shareholders of ordinary shares

	Number of Shares	% of Issued Capital
THORNEY HOLDINGS PROPRIETARY LIMITED	52,762,192	27.8
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	21,000,000	11.1
TIGA TRADING PTY LTD	6,570,159	3.5
ELPHINSTONE HOLDINGS PTY LTD	5,780,000	3.0
HUONCAN SUPER PTY LTD <HUONCAN SUPER FUND A/C>	4,901,441	2.6
CASTLE FARMS PTY LTD	2,078,140	1.1
HUON CANNING CO PTY LTD	2,001,004	1.1
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	1,900,000	1.0
LANGBURGH PTY LTD <MARC BESEN FAMILY TR A/C>	1,615,925	0.9
CERTANE CT PTY LTD <BC1>	1,365,000	0.7
TAMIT NOMINEES PTY LTD <THE ITESCU FAMILY A/C>	1,352,025	0.7
AUSTIN SUPERANNUATION PTY LTD <THE BRIAN AUSTIN S/F A/C>	1,344,068	0.7
BLACKCAT HOLDINGS PTY LTD	1,055,000	0.6
CITICORP NOMINEES PTY LIMITED	1,050,229	0.6
QUIXLEY FINANCE PTY LIMITED	1,026,151	0.5
MRS NOLA ISABEL CRIDDLE <CRIDDLE INVESTMENT FUND A/C>	960,000	0.5
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	946,470	0.5
DENATA PTY LTD <HAYMET S/F A/C>	900,000	0.5
TRONES INVESTMENTS PTY LTD <NYLOX DISTRIBUTORS S/F A/C>	870,833	0.5
DEEMCO PTY LIMITED	809,513	0.4

Substantial shareholders

Name	Number of shares	Voting Power %
THORNEY HOLDINGS PROPRIETARY LIMITED (and associates)	60,237,713	31.7%
RUBI HOLDINGS PTY LTD	21,000,000	11.1%

List of investments

	Fair value as at 30 June 2023 \$
MMA Offshore Ltd	27,600,000
Austin Engineering Ltd	12,792,490
Solvar Ltd	12,120,525
Southern Cross Electrical Engineering Ltd	9,641,300
Service Stream Ltd	7,290,000
Consolidated Operations Group Ltd	5,914,572
Retail Food Group Ltd	4,340,243
Decmil Group Ltd redeemable convertible 12% 3yr pref shares	3,025,788
Decmil Group Limited	2,983,427
Cooper Energy Ltd	2,398,509
AMA Group Ltd	2,220,999
EarlyPay Ltd (was CML Group Ltd)	2,058,270
Avada Group Ltd	1,140,116
Tinybeans Group Ltd	975,881
Plenti Group Ltd	560,975
QuickFee Ltd	556,998
Maggie Beer Holdings Ltd	475,096
Spirit Telecom	450,000
HUB24 Ltd	2,544
Total listed investments	96,547,733
20 Cashews Pty Ltd	36,688,600
Whizz Technologies Pty Ltd	119,653
Mitchcap Pty Ltd	600,002
Other	12,910
Total unlisted investments	37,421,165
Total investments	133,968,898

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Corporate Directory

Thorney Opportunities Ltd is a disclosing entity under the *Corporations Act 2001* and currently considered an investment entity pursuant to ASX Listing Rules. The Company is primarily an investor in listed equities on the Australian securities market.

ASX Code: TOP

Security: Thorney Opportunities Ltd fully paid ordinary shares

Directors: Alex Waislitz, Chairman

Ashok Jacob

Henry D. Lanzer AM

Dr Gary H. Weiss AM

Secretary: Craig Smith

Country of incorporation: Australia

Registered office: Level 39, 55 Collins Street

Melbourne Vic 3000

Contact details: Level 39, 55 Collins Street

Melbourne Vic 3000

T: + 613 9921 7116

F: + 613 9921 7100

E: contact@thorney.com.au

W: www.thorney.com.au/thorney-opportunities/

Investment Manager: Thorney Management Services Pty Ltd

Level 39, 55 Collins Street

Melbourne Vic 3000

AFSL: 444369

Auditor: Ernst & Young

8 Exhibition Street

Melbourne Vic 3000

Solicitors: Arnold Bloch Leibler

333 Collins Street

Melbourne Vic 3000

Share Registry: Computershare

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Abbotsford VIC 3067

T: + 613 9415 5000

F: + 613 9473 2500

W: www.computershare.com/au

For all shareholder related enquiries please contact the share registry.

Annual When: Tuesday 14 November 2023¹

General Where: TOP is planning to hold a Virtual 2023 Annual General Meeting¹

Meeting (AGM): ¹ The Company will advise full meeting details to all shareholders early October 2023.

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