



# GLENNON SMALL COMPANIES

Thursday, 15 February 2024

Company Announcements  
Australian Securities Exchange  
Level 4, 20 Bridge Street  
Sydney NSW 2000

## **Financial Results Half-Year Ended 31 December 2023**

In accordance with the Listing Rules, Glennon Small Companies Limited (ASX: GC1) encloses the following information authorised for release by GC1's Board of Directors:

1. Appendix 4D
2. Interim Report for the Half-Year Ended 31 December 2023

For more information, please contact:

Vivien Gacho  
Joint Company Secretary  
Glennon Small Companies Limited

Email: [info@glennon.com.au](mailto:info@glennon.com.au)  
Phone: (02) 8027 1000  
Website: [www.glennon.com.au](http://www.glennon.com.au)

# **Glennon Small Companies Limited**

ABN 52 605 542 229

## **Appendix 4D**

### **Half-year report**

**for the half-year ended 31 December 2023**

## Half-year report

This half-year ended report is for the reporting half-year from 1 July 2023 to 31 December 2023. The previous corresponding period was 1 July 2022 to 31 December 2022.

### Results for announcement to the market

				\$'000
Revenue from ordinary activities	Down	70.07%	to	624
Profit before tax for the period	Down	96.47%	to	52
Profit from ordinary activities after tax attributable to members	Down	84.51%	to	180

### Explanation of revenue and net profit

During the half-year, revenue from ordinary activities decreased to \$0.624m (31 December 2022: \$2.085m) and net profit from ordinary activities before tax decreased to \$0.052m (31 December 2022: \$1.473m). This decrease was mainly due to a lower combined realised and unrealised losses on the portfolio recognised during the half-year, amounting to \$0.082m (31 December 2022: gains of \$1.540m).

### Dividends

Interim and final dividends on ordinary shares paid were fully franked at 25%. Dividends on Resettable Redeemable Convertible Preference Shares ("RRCPS") were unfranked (2022: interim dividends on ordinary shares paid were fully franked at 30% and final dividends on ordinary shares paid and dividends on RRCPS were unfranked).

	Dividend Rate \$	Total Amount \$'000	Date of Payment	Percentage Franked
<b>2023</b>				
Ordinary shares - final 2023	0.02	1,036	03/10/2023	100%
RRCPS - final 2023	0.28	160	03/10/2023	0%
Ordinary shares - interim 2023	0.01	517	31/03/2023	100%
RRCPS - interim 2023	0.28	160	31/03/2023	0%
<b>2022</b>				
Ordinary shares - final 2022	0.02	1,026	30/09/2022	0%
RRCPS - final 2022	0.28	160	30/09/2022	0%
Ordinary shares - interim 2022	0.01	511	31/03/2022	100%
RRCPS - interim 2022	0.28	160	31/03/2022	0%

In addition to the above dividends, the Directors have announced:

- An interim ordinary dividend of 1 cent per fully paid share, fully franked at 30%, to be paid on 2 April 2024 out of profits reserve at 31 December 2023.
- An unfranked dividend on Resettable Redeemable Convertible Preference Shares ("RRCPS") of 28 cents per RRCPS to be paid on 2 April 2024.

Dividends on RRCPS are recorded as finance costs (rather than "dividends") for accounting purposes.

In relation to the ordinary dividends, shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares will be issued at a 3% discount to the issue price for the 10 trading days to the record date, being the trading days from 1 March 2024 to 14 March 2024 (inclusive).

**Dividend dates**

Ex-dividend date	13/03/2024
Record date	14/03/2024
Last election date for the DRP (for ordinary shares only)	15/03/2024
Payment date	02/04/2024

**Net tangible assets (NTA)**

	31 December 2023 \$	31 December 2022 \$
Net tangible asset backing (per share) after tax*	<b>0.6854</b>	0.7456
Net tangible asset backing (per share) before tax**	<b>0.6737</b>	0.7473

\*Includes all tax balances and selling costs.

\*\*As required by the ASX listing rules, this is the theoretical NTA before providing for the estimated tax on unrealised income and gains, and includes \$0.0933 (2022: \$0.0827) per share deferred tax asset (comprised of prior years' tax losses and current year tax losses/profits).

**Dividend Reinvestment Plan (DRP)**

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares are issued under the plan at a discount to the market price as specified by the Company from time to time in accordance with the *Corporations Act 2001* and the Listing Rules.

The final date for receipt of an election notice for participation in the Dividend Reinvestment Plan is 15 March 2024. Shares issued under the DRP will rank equally with existing ordinary shares. The Company reserves the right to issue DRP shortfall shares at Directors' discretion.

**Further information**

This report is based on the Interim Report which has been subject to independent review by the auditors, Pitcher Partners Sydney. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2023 Annual Financial Report.

Sydney  
15 February 2024

# **Glennon Small Companies Limited**

ABN 52 605 542 229

## **Interim Report for the half-year ended 31 December 2023**

# Glennon Small Companies Limited ABN 52 605 542 229

## Interim Report - for the half-year ended 31 December 2023

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Glennon Small Companies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## **Corporate Directory**

### **Directors**

Michael Glennon  
*Executive Chairman*

John Larsen  
*Independent Non-Executive Director*

Suliaman Ravell  
*Independent Non-Executive Director*

### **Secretary**

Michael Glennon  
Vivien Gacho

### **Investment Manager**

Glennon Capital Pty Ltd  
Level 26, 44 Market Street  
Sydney NSW 2000  
Phone: (02) 8027 1000

### **Registered office**

Glennon Small Companies Limited  
Level 26, 44 Market Street  
Sydney NSW 2000  
Telephone: (02) 8027 1000  
Email: [info@glennon.com.au](mailto:info@glennon.com.au)

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to [www.asx.com.au](http://www.asx.com.au) or call (02) 8027 1000.

### **Custodian and Administrator**

Link Fund Solutions Pty Limited  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: (02) 8280 7100

### **Share registrar**

Boardroom Pty Limited  
Level 8, 210 George Street  
Sydney NSW 2000  
Telephone: 1300 737 760  
Email: [enquiries@boardroomlimited.com.au](mailto:enquiries@boardroomlimited.com.au)

For enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.

### **Auditors**

Pitcher Partners Sydney  
Level 16, Tower 2, Darling Park  
201 Sussex Street  
Sydney NSW 2000

### **Securities exchange**

Australian Securities Exchange (ASX)  
The home exchange is Sydney.  
ASX code: GC1 Ordinary Shares  
ASX Code: GC1PA Resettable Redeemable Convertible Preference Shares

### **Website**

[www.glennonsmallcompanies.com.au](http://www.glennonsmallcompanies.com.au)

## **Directors' Report**

The Directors present their report together with the condensed financial report of Glennon Small Companies Limited (the "Company") for the half-year ended 31 December 2023.

### **Directors**

The following persons held office as Directors during or since the end of the half-year and up to the date of this report:

Michael Glennon (Executive Chairman)  
John Larsen (Independent Non-Executive Director)  
Sulieyman Ravell (Independent Non-Executive Director)

### **Principal activities**

The principal activity of the Company is making investments in listed companies outside the S&P/ASX 100.

There was no significant change in the nature of the activity of the Company during the half-year.

### **Review of operations**

The operating profit before tax including realised and unrealised investment movements was \$52,000 to 31 December 2023 (31 December 2022: \$1,473,000). The net result after tax was a profit of \$180,000 (31 December 2022: \$1,162,000).

The net tangible asset (NTA) backing before tax as at 31 December 2023 was \$0.6737 per share (31 December 2022: \$0.7473). The before-tax NTA includes \$0.0933 (31 December 2022: \$0.0827) per share deferred tax asset (comprised of prior years' tax losses and current year tax losses/profits).

The Glennon Small Companies (GC1) portfolio returned +1.44% during the six months ended 31 December 2023, trailing behind its benchmark (S&P/ASX Small Ordinaries Accumulation index), which rose +6.42% over the same period.

The strong performance in the Small Ordinaries index was driven by two strong months in November (+7.04%) and December (+7.23%). GC1 portfolio was negatively impacted by holding high cash levels and a large exposure to micro and nano cap companies. The rally in the Small index was driven by the larger more liquid companies and there still appears to be somewhat of a buyers strike on the smaller end of the Small cap index. The Company has addressed this by deploying cash into some of the more liquid smaller companies as the Company believes that the incremental buyer for micro and nano cap companies will sit out of the market as personal balance sheets become stretched with increased cost of living pressures combines with high interest rates. The nano cap exposure in the portfolio has reduced to 11% and the micro cap exposure has now reduced to 6% of the portfolio. The fundamentals and investment proposition on the remaining exposures has not changed.

In November 2023, the Company announced a buyback to help improve the discount and low levels of liquidity in the Company. The buyback enables the Company to buy back shares at attractive prices given the large discount that exists at present.

### **Significant changes in the state of affairs**

On 29 November 2023, the Company announced the implementation of an on-market share buyback of up to 10% of its issued ordinary shares or a maximum of 5,217,740 shares for a 12-month period commencing on 29 November 2023. During the half-year ended 31 December 2023, 51,514 shares were bought back at an average buyback price of \$0.4489 per share.

There were no other significant changes in the state of affairs of the Company during the half-year ended 31 December 2023.



**Matters subsequent to the end of the financial period**

Other than the dividends declared after half-year end as disclosed in Note 9, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial periods.

**Rounding of amounts to the nearest thousand dollars**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

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



Michael Glennon  
Executive Chairman

Sydney  
15 February 2024

**Pitcher Partners Sydney**

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

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GPO Box 1615  
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**Auditor's Independence Declaration  
To the Directors of Glennon Small Companies Limited  
ABN 52 605 542 229**

In relation to the independent auditor's review of Glennon Small Companies Limited for the half year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



**S M Whiddett**  
Partner

**Pitcher Partners**  
Sydney

15 February 2024

**Glennon Small Companies Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2023**

	<b>Half-year ended</b>	
	<b>31 December</b>	31 December
	<b>2023</b>	2022
	<b>\$'000</b>	\$'000
<b>Investment income from ordinary activities</b>		
Net realised (losses)/gains on investments	(1,991)	1,002
Net unrealised gains on investments	1,909	538
Dividends	525	526
Trust distributions	50	-
Interest income	50	19
Other income	81	-
	<b>624</b>	<b>2,085</b>
<b>Expenses</b>		
Management fees	(157)	(187)
Brokerage expense	(19)	(35)
Accounting fees	(34)	(38)
Share registry fees	(21)	(29)
Custody fees	(11)	(10)
Tax fees	(11)	(9)
Directors' fees	(25)	(25)
ASX fees	(25)	(26)
Audit fees	(42)	(30)
Other expenses	(56)	(52)
Finance costs	(171)	(171)
	<b>(572)</b>	<b>(612)</b>
<b>Profit before income tax</b>	<b>52</b>	<b>1,473</b>
Income tax benefit/(expense)	128	(311)
<b>Profit for the half-year</b>	<b>180</b>	<b>1,162</b>
<b>Other comprehensive income for the half-year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the half-year</b>	<b>180</b>	<b>1,162</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>		
Basic earnings per share	<b>0.34</b>	2.26
Diluted earnings per share	<b>0.34</b>	2.26

*The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.*

**Glennon Small Companies Limited**  
**Statement of Financial Position**  
**As at 31 December 2023**

	<b>At</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2023</b>	<b>2023</b>
Notes	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>		
Cash and cash equivalents	8,872	2,542
Trade and other receivables	13	129
Financial assets at fair value through profit or loss	3    25,070	33,537
Other assets	53	69
Other financial assets at amortised cost	5    2,042	857
Deferred tax assets	5,478	5,349
<b>Total assets</b>	<b>41,528</b>	<b>42,483</b>
<b>LIABILITIES</b>		
Trade and other payables	98	104
Current tax liabilities	-	238
Other financial liabilities at amortised cost	6    5,649	5,638
<b>Total liabilities</b>	<b>5,747</b>	<b>5,980</b>
<b>Net assets</b>	<b>35,781</b>	<b>36,503</b>
<b>EQUITY</b>		
Issued capital	8    49,210	49,076
Profits reserve	21,849	22,574
Accumulated losses	(35,278)	(35,147)
<b>Total equity</b>	<b>35,781</b>	<b>36,503</b>

*The above Statement of Financial Position should be read in conjunction with the accompanying notes.*

**Glennon Small Companies Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2023**

Notes	Issued capital \$'000	Profits reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>Balance at 1 July 2022</b>	48,790	20,483	(31,035)	38,238
Net profit for the period	-	-	1,162	1,162
Other comprehensive income	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued under dividend reinvestment plan	8(b) 196	-	-	196
Costs of issued capital	8(b) (1)	-	-	(1)
Dividends provided for or paid	9 -	(1,026)	-	(1,026)
Transfer to profits reserve (net of tax)	-	3,634	(3,634)	-
	195	2,608	(3,634)	(831)
<b>Balance at 31 December 2022</b>	<b>48,985</b>	<b>23,091</b>	<b>(33,507)</b>	<b>38,569</b>
	<b>Issued capital \$'000</b>	<b>Profits reserve \$'000</b>	<b>Accumulated losses \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2023</b>	49,076	22,574	(35,147)	36,503
Net profit for the period	-	-	180	180
Other comprehensive income	-	-	-	-
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued under dividend reinvestment plan	8(b) 158	-	-	158
On-market buy back	8(b) (23)	-	-	(23)
Costs of issued capital	8(b) (1)	-	-	(1)
Dividends provided for or paid	9 -	(1,036)	-	(1,036)
Transfer to profits reserve (net of tax)	-	311	(311)	-
	134	(725)	(311)	(902)
<b>Balance at 31 December 2023</b>	<b>49,210</b>	<b>21,849</b>	<b>(35,278)</b>	<b>35,781</b>

*The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

**Glennon Small Companies Limited**  
**Statement of Cash Flows**  
**For the half-year ended 31 December 2023**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial assets at fair value through profit or loss	20,327	23,197
Payments for purchase of financial assets at fair value through profit or loss	(11,909)	(14,903)
Interest received	50	19
Dividends and distributions received	607	481
Distributions received	50	-
Tax paid	(239)	(29)
Management fees paid	(157)	(184)
Brokerage expenses paid	(16)	(37)
Payments for other expenses	(217)	(207)
<b>Net cash inflow from operating activities</b>	<b>8,496</b>	<b>8,337</b>
<b>Cash flows from investing activities</b>		
Payments for other financial assets at amortised cost	(1,160)	-
Other income received	56	-
<b>Net cash outflow from investing activities</b>	<b>(1,104)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Dividends paid to Company's shareholders	(878)	(814)
Dividends paid on resettable redeemable convertible preference shares	(159)	(157)
Payments for shares bought back	(23)	-
Transaction costs on issue of shares	(1)	(1)
Withholding tax paid on dividends	(1)	(19)
<b>Net cash outflow from financing activities</b>	<b>(1,062)</b>	<b>(991)</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,330</b>	<b>7,346</b>
Cash and cash equivalents at the beginning of the half-year	2,542	5,662
<b>Cash and cash equivalents at the end of half-year</b>	<b>8,872</b>	<b>13,008</b>

*The above Statement of Cash Flows should be read in conjunction with the accompanying notes.*

## **1 General information**

Glennon Small Companies Limited (the "Company") is a listed public company domiciled in Australia. The address of Glennon Small Companies Limited's registered office is Level 26, 44 Market Street, Sydney, NSW, 2000. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities in Australia.

This half-year ended report is for the reporting half-year from 1 July 2023 to 31 December 2023. The previous corresponding half-year was 1 July 2022 to 31 December 2022.

## **2 Basis of preparation**

These interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

This interim financial report was authorised for issue by the Board of Directors on 15 February 2024.

The Company is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in an annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Glennon Small Companies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the half-year beginning 1 July 2023 that have a material impact on the amounts recognised in the prior periods or will affect current or future periods. There are no standards issued but not yet effective that would have a material impact on the amounts recognised in the financial statements in the future.

### **(a) Material accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements for the year ended 30 June 2023.

### **(b) Rounding of amounts**

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the Directors' report and in the financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

## **3 Fair value measurement**

The Company measures and recognises the following assets at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

### **(a) Fair value hierarchy**

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### 3 Fair value measurement (continued)

#### (a) Fair value hierarchy (continued)

##### (i) Recognised fair value measurements

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2023 and 30 June 2023 on a recurring basis.

At 31 December 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Listed equity securities	24,941	-	-	24,941
Listed options	55	74	-	129
<b>Total financial assets</b>	<b>24,996</b>	<b>74</b>	<b>-</b>	<b>25,070</b>
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2023				
Financial assets				
Listed equity securities	33,431	-	-	33,431
Listed options	32	74	-	106
<b>Total financial assets</b>	<b>33,463</b>	<b>74</b>	<b>-</b>	<b>33,537</b>

The items included in Level 2 of the hierarchy represent investments in an inactive market without observable inputs for valuation.

As at 31 December 2023, the listed options are valued using the last traded price in February 2023. Overall, the Board considered this valuation technique to represent fair value in the absence of any market price available.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy as at 31 December 2023.

##### (ii) Disclosed fair values

The Company has Resettable Redeemable Convertible Preference Shares (RRCPS) which are not measured at fair value within the Statement of Financial Position. Details of the carrying amount and fair value are shown below.

	At 31 December 2023 \$'000	30 June 2023 \$'000
Carrying amount	5,649	5,638
Fair value	5,546	5,672

The fair value of the RRCPS as at 31 December 2023 amounting to \$5,546,000 (30 June 2023: \$5,672,000) was determined by reference to published price quotation of \$9.73 on each RRCPS ticker ASX:GC1PA as at 31 December 2023 (30 June 2023: \$9.95).



### 3 Fair value measurement (continued)

#### (a) Fair value hierarchy (continued)

##### (ii) Disclosed fair values (continued)

The Company also has a debt investment classified as other financial assets at amortised cost which are not measured at fair value within the Statement of Financial Position. Details of the carrying amount and fair value are shown below.

	<b>At</b>	
	<b>31 December</b>	30 June
	<b>2023</b>	2023
	<b>\$'000</b>	\$'000
Carrying amount	<b>2,042</b>	857
Fair value	<b>2,059</b>	876

The fair value was calculated based on cash flows discounted using a current lending rate. This is classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The carrying amounts of trade and other receivables and payables are assumed to approximate their fair values due to their short-term nature.

### 4 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income, distribution income, interest income and from the sale of its investments.

### 5 Other financial assets at amortised cost

	<b>At</b>	
	<b>31 December</b>	30 June
	<b>2023</b>	2023
	<b>\$'000</b>	\$'000
Interest receivable	<b>42</b>	17
Principal	<b>2,000</b>	840
	<b>2,042</b>	857

The above debt investment of \$2,000,000 represents drawn funds of a secured debt facility extended by the Company to investee company Metgasco (ASX: MEL) in order to fund Metgasco's Vali and Odin Gas field projects. The total debt facility amounts to \$5 million; \$2 million for the Company and \$3 million for Keybridge Capital.

The loan deed allows funds to be drawn down within 12 months from the initial issue date of 13 March 2023. The loan has a 3-year term from the first drawdown, with interest at 10% p.a. recognised and receivable quarterly in arrears. The loan is secured by way of a general security deed jointly over all present property of Metgasco.

In consideration for the facility, the Company received 64 million unlisted options from Metgasco at an exercise price of 2.5c per share for the same tenor as the debt facility.

If early repayment of drawn funds is undertaken by Metgasco, it will provide the Company with an early redemption fee equal to 5% of the face value of the notes redeemed early. As at 31 December 2023, there is no material expected credit loss on this asset.

**Glennon Small Companies Limited**  
**Notes to the Financial Statements**  
**For the half-year ended 31 December 2023**  
**(continued)**

**6 Other financial liabilities**

	<b>At</b>	
	<b>31 December</b>	30 June
	<b>2023</b>	2023
	<b>\$'000</b>	\$'000
Dividends on Resettable Redeemable Convertible Preference Shares	<b>80</b>	80
Resettable Redeemable Convertible Preference Shares	<b>5,569</b>	5,558
	<b>5,649</b>	5,638

Resettable Redeemable Convertible Preference Shares ("RRCPS") are resettable, redeemable and convertible preference shares in the capital of the Company.

*Loan-to-value (LTV) ratio:* This is calculated as follows:

$$\text{LTV Ratio} = \frac{\text{Total Debt - (Cash and Cash Equivalents)}}{\text{Market Value of all Marketable Securities held by or on behalf of the Company as at such time}}$$

As at 31 December 2023, using the face value of \$10 per RRCPS as Total Debt, the LTV ratio was -12.65% (30 June 2023: 9.42%) determined as follows:

$$\text{LTV Ratio} = \frac{\$5,700,000 - \$8,872,000}{\$25,070,000}$$

The Company undertakes that for the period that the RRCPS remain on issue, the LTV ratio will not exceed 50%.

There were no Trigger Events that occurred during the period.

**7 Contingencies and commitments**

The Company had no contingencies or commitments as at 31 December 2023 (30 June 2023: nil).

**8 Issued capital**

**(a) Share capital**

	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>Shares</b>	Shares	<b>\$'000</b>	\$'000
Ordinary shares	<b>52,125,882</b>	51,652,192	<b>49,210</b>	48,985

## 8 Issued capital (continued)

### (b) Movements in ordinary share capital

	<b>31 December 2023 Shares</b>	<b>31 December 2023 \$'000</b>
Opening balance 30 June 2023	51,813,714	49,076
On-market buy back	(51,514)	(23)
Dividends reinvestment plan issue	363,682	158
Cost of issued capital, net of tax	-	(1)
<b>Balance 31 December 2023</b>	<b>52,125,882</b>	<b>49,210</b>
	<b>31 December 2022 Shares</b>	<b>31 December 2022 \$'000</b>
Opening balance 30 June 2022	51,307,022	48,790
Dividends reinvestment plan issue	345,170	196
Cost of issued capital, net of tax	-	(1)
<b>Balance 31 December 2022</b>	<b>51,652,192</b>	<b>48,985</b>

## 9 Dividends

### (a) Ordinary shares

Interim and final dividends paid were fully franked at 25% (2022: interim dividends on ordinary shares paid were fully franked at 30% and final dividends on ordinary shares paid were unfranked).

	<b>Dividend Rate (per share) \$</b>	<b>Total Amount \$'000</b>	<b>Date of Payment</b>	<b>Percentage Franked</b>
<b>2023</b>				
Ordinary shares - final 2023	0.02	1,036	03/10/2023	100%
Ordinary shares - interim 2023	0.01	517	31/03/2023	100%
<b>2022</b>				
Ordinary shares - final 2022	0.02	1,026	30/09/2022	0%
Ordinary shares - interim 2022	0.01	511	31/03/2022	100%

## 9 Dividends (continued)

### (b) Resettable redeemable convertible preference shares

Dividends on RRCPS are recorded as finance costs (rather than “dividends”) for accounting purposes.

Interim and final dividends on Resettable Redeemable Convertible Preference Shares (“RRCPS”) were unfranked.

	<b>Dividend Rate (per share) \$</b>	<b>Total Amount \$'000</b>	<b>Date of Payment</b>	<b>Percentage Franked</b>
<b>2023</b>				
RRCPS - final 2023	0.28	160	03/10/2023	0%
RRCPS - interim 2023	0.28	160	31/03/2023	0%
<b>2022</b>				
RRCPS - final 2022	0.28	160	30/09/2022	0%
RRCPS - interim 2022	0.28	160	31/03/2022	0%

Post half-year end, the Directors have declared an unfranked dividend of 28 cents per RRCPS to be paid on 2 April 2024.

## 10 Related party transactions

All transactions with related entities were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Michael Glennon is a Director and beneficial owner of Glennon Capital Pty Ltd, the Company appointed to manage the investment portfolio of Glennon Small Companies Limited. In its capacity as Manager, Glennon Capital Pty Ltd was paid a management fee of 1% p.a. (plus GST) of the net asset value of the portfolio amounting to \$156,727 net of reduced input tax credits (31 December 2022: \$186,865). As at 31 December 2023, the balance payable to the Manager was \$28,221 (30 June 2023: \$28,388).

In addition, the Manager is to be paid, quarterly in arrears, a performance fee of 20% (plus GST) of the portfolio's outperformance over the S&P/ASX Small Ordinaries Accumulation Index. For the half-year ended 31 December 2023 in its capacity as manager, Glennon Capital Pty Ltd earned performance fee net of reduced input tax credit amounting to \$nil (31 December 2022: \$nil). As at 31 December 2023, the balance payable to the Manager was \$nil (30 June 2023: \$nil).

For the half-year ended 31 December 2023, in their capacity as Company Secretary, Glennon Capital Pty Ltd was paid company secretarial fees of \$16,400 (31 December 2022: \$16,400). As at 31 December 2023, the balance payable in respect of company secretarial fees was \$nil (30 June 2023: \$nil).

## 11 Events occurring after the reporting period

Other than the dividends declared after half-year end as disclosed in Note 9, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial periods.

**Glennon Small Companies Limited**  
**Directors' Declaration**  
**For the half-year ended 31 December 2023**

In the Directors' opinion:

- (a) The interim financial statements and notes set out on pages 5 to 14 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael Glennon  
Executive Chairman

Sydney  
15 February 2024

**Pitcher Partners Sydney**

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**Independent Auditor's Review Report  
To the Members of Glennon Small Companies Limited  
ABN 52 605 542 229****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of Glennon Small Companies Limited ("the Company") which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Glennon Small Companies Limited does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

**Basis for Conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Responsibility of the Directors for the Financial Report**

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

### **Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



**S M Whiddett**  
Partner

15 February 2024



**Pitcher Partners**  
Sydney