Thorney Technologies Ltd
ABN 66 096 782 188

Appendix 4E & 2019 Annual Report

Thorney Technologies Ltd

ABN 66 096 782 188

Appendix 4E

For the year ended 30 June 2019

Previous corresponding period: year ended 30 June 2018

Results for announcement to the market:

	30 June 2019 $A'000	30 June 2018 $A'000	Up/ Down	Movement
Revenue from ordinary activities	19,855	9,710	Up	104%
Profit before tax for the year	14,660	5,564	Up	163%
Profit after tax for the year	22,542	5,564	Up	305%

No dividends have been declared for the year ended 30 June 2019.

Additional information	30 June 2019 $A	30 June 2018 $A
Net tangible assets after tax per ordinary share	33.7	25.0

This information should be read in conjunction with the 2019 Annual Report of Thorney Technologies Ltd and any public announcements made in the period by Thorney Technologies Ltd in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Listing Rules.

This report is based on the consolidated 30 June 2019 Annual Report which has been audited by Ernst & Young with the independent auditor's report included in the 30 June 2019 year-end financial report.

Thorney Technologies Ltd
ABN 66 096 782 188

Corporate information

Company secretary
Craig Smith
Level 39, 55 Collins Street
Melbourne VIC 3000

Principal registered office and postal address
Level 39, 55 Collins Street
Melbourne VIC 3000

ASX code
TEK

Share registry
Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Solicitors
Arnold Bloch Leibler
Level 21, 333 Collins Street
Melbourne VIC 3000

Bankers
Australia and New Zealand Banking Group Limited
55 Collins Street
Melbourne VIC 3000

Auditors
Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

Website
www.thorneytechnologies.com.au

Annual General Meeting
The proposed date and place is Wednesday 20 November 2019 at Ernst & Young, 8 Exhibition Street, Melbourne but is subject to change. The Company will advise shareholders of meeting details in mid-October 2019.

Thorney Technologies Ltd

ABN 66 096 782 188

Table of Contents

Chairman's letter

TEK DELIVERS RECORD PROFIT OF $22.5 MILLION

Dear fellow TEK shareholder

I am pleased to report that your company, Thorney Technologies Ltd (TEK) has delivered a record net profit after tax of $22.54 million for the year ended June 30, 2019.

The record result is a 305% increase on the previous year's after tax net profit of $5.56 million.

TEK's Net Tangible Assets per share (NTA) before tax as at June 30 was 30.7 cents per share (cps) compared to 25.0 cps a year earlier.

This is a very pleasing increase of 22.8% and reflects the strong performance of the key holdings in the TEK portfolio. It means TEK has produced some of the very best investment returns of any of its Listed Investment Company peers during 2018/19 and it comprehensively eclipses the results of all major ASX indices during the same period.

TEK's strong pre-tax performance this year was principally driven by the contribution of companies in the fintech sector of the TEK portfolio. Afterpay Touch Group Limited (APT) and Zip Co Limited (Z1P) in particular enjoyed strong share price gains. As is its usual practice, TEK undertook some trading activities in these and other stocks adding further to overall gains.

Post balance date, another of TEK's fintech holdings, Credible Labs Inc (CRD), announced a proposed merger agreement with Fox Corporation that values CRD at $2.21 a share.

TEK's NTA after tax as at June 30 stood at an even higher 33.7 cps due to your Board's decision to book some of the tax losses available to the Company.

The additional 3.0 cps boost to NTA from recognising some of the available tax losses this year means that since its inception some two and half years ago TEK has grown its NTA after tax from 22.0 cps (2016 Prospectus issue price) to 33.7 cps as at 30 June 2019. This is a total increase of 53% or an annualised rate of 21% since TEK's inception.

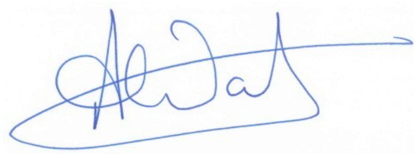
Overall, I remain very pleased with the strong and ongoing growth in the value of the entire TEK portfolio. We have worked hard to construct a dynamic portfolio of both listed and unlisted companies which leverages off our extensive global technology relationships and which provides exposure to a range of companies across the entire investment life cycle.

Chairman's letter (continued)

In September, following completion of the 2019 financial reporting season I will send you a Chairman's Update which will provide highlights from TEK's portfolio companies as well as some of my insights. My team and I will continue to monitor the activities of all the investment portfolio companies as well as seeking out new investments.

Chairman's Updates are found at: www.thorneytechnologies.com.au/chairman's-updates/ .

On behalf of my fellow Board members and the Thorney investment team, I want to thank you for your continued support and interest in TEK and I look forward to another successful year ahead.



Alex Waislitz
Chairman

27 August 2019

Directors’ report

The Directors of Thorney Technologies Ltd (TEK or Group) present their report, together with the financial statements for the year ended 30 June 2019 (FY19) and the auditor’s report thereon.

1. Directors

The Directors in office during the financial year and at the date of this report were as follows:

Current Directors	Appointed	Position
Alex Waislitz	9 December 2016	Chairman
Jeremy Leibler	9 December 2016	Non-executive director
Alan Fisher	29 August 2014	Non-executive director
Martin Casey	22 June 2016	Non-executive director

Information on directors

Alex Waislitz BEc, LLB, Non-executive Chairman

Alex Waislitz was appointed Chairman Thorney Technologies Ltd on 9 December 2016.

Mr Waislitz is Chairman of Thorney Opportunities Ltd (ASX:TOP) and is the founder and Chairman of Thorney Investment Group (TIG), one of Australia’s most successful private investment groups. He has extensive business and capital markets experience and has been on several public company boards.

He is Vice President of the Collingwood Football Club Limited and has been a director since 1998.

He 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 the Waislitz Foundation and the Waislitz Family Foundation. These registered charities focus on community projects, education, health, indigenous programs and the arts.

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)

Information on current directors (continued)

Jeremy Leibler BComm, LLB(Hons), Non-executive Director

Jeremy Leibler was appointed a Director of Thorney Technologies Ltd on 9 December 2016.

Mr Leibler is a partner at Arnold Bloch Leibler specialising in commercial and corporate law with a particular focus on mergers and acquisitions, public and private capital raisings and shareholder activism and board disputes.

In 2015, Mr Leibler was appointed by the Governor General, the Hon Sir Peter Cosgrove, as a member of the Australian Takeovers Panel and is a member of the Corporations Committee of the Business Law Section of the Law Council of Australia and a board member of Leibler Yavneh College.

Alan Fisher BCom, FCA, MAICD, Non-executive Director

Alan Fisher was appointed a Director on 29 August 2014 and served as Chairman until 9 December 2016. He was appointed Chairman of the Audit and Risk Committee on 9 December 2016.

Mr Fisher has extensive and proven experience in restoring and enhancing shareholder value. He spent 24 years at world-leading accounting firm Coopers & Lybrand as Lead Advisory Partner where he headed and grew the Melbourne Corporate Finance Division. Following this tenure, he developed his own corporate advisory business specialising in M&A, strategic advice, business restructuring and capital raisings.

Mr Fisher is the current chairman of Centrepoint Alliance Limited and IDT Australia Limited and is a director and chair of the audit and risk committees of Bionomics Limited and Simavita Limited.

Mr Fisher holds a Bachelor of Commerce from Melbourne University, is a Fellow of the Institute of Chartered Accountants and a member of the Australian Institute of Company Directors.

Martin Casey BEc, LLB (Monash), Non-executive Director

Martin Casey was appointed a Director of the Company on 22 June 2016.

Mr Casey is a corporate adviser, with experience as an investment banker and qualified lawyer and he advises a number of clients including Thorney Investment Group.

Mr Casey is a current director of ADG Global Supply Limited, Anaeco Limited and also a partner in VC technology fund Rampersand.

Mr Casey was previously a Director of Corporate Advisory at investment bank Credit Suisse and before that, a partner in an international law firm, (now Norton Rose Fulbright).

2. Company secretary

Craig Smith B.Bus (Acct), GIA(Cert)

Craig Smith was appointed a Secretary of the Company on 22 June 2016.

Mr Smith has been company secretary of the private Thorney Investment Group since 2009 and the ASX Listed Investment Company, Thorney Opportunities Ltd, since 2013.

He is a director and company secretary of Anaeco Limited and was formerly CFO / Company Secretary of Baxter Group Limited and Tolhurst Noall Limited and was a director of TEK during its 2016 recapitalisation.

3. Principal activities

Thorney Technologies Ltd is an investment company listed on the Australian Securities Exchange (ASX:TEK). Its principal activity is investing in global, listed and unlisted, technology investments at all phases of the investment lifecycle.

4. Result

The Group's net profit after tax for the 2019 financial year was $22,541,888 (2018: $5,564,438).

The net tangible asset backing (NTA) at 30 June 2019 was 33.7 cents per share (cps) (2018: 25.0 cps).

5. Review of operations

Over the course of the financial year ended 30 June 2019 the Group's net tangible assets increased to $86,768,149 (2018: $64,247,495). The TEK NTA after tax increased by 35% from 25.0 cps to 33.7 cps during the period.

On 8 November 2018 TEK completed a minimum holding share buy-back, with 1,115 shareholders having their shares bought back at a total cost of $21,234.

During FY19 the Group purchased trading investments and long term investments for a total cash cost of $35,765,903 (2018: $25,269,590).

A number of the investments have been co-investments with TIG. Under Australian corporations law, TIG, TEK and Thorney Opportunities Ltd (TOP) are deemed *associates* which means their holdings are combined when determining the percentage of voting shares owned for substantial holding purposes.

During FY19 TEK became a substantial holder of Yojee Limited, iSelect Limited, Skyfii Limited and Visioneering Technologies Inc. During the year, TEK decreased its voting percentage in ReadCloud Limited and increased its voting percentage in iSelect Limited lodging substantial holding notices during the period as required.

In May 2019 TEK held an investment forum in Sydney (jointly with TOP) and several investee companies presented including Dubber Corporation Limited, OneVue Holdings Limited, Credible Labs Inc, iSelect Limited and Cluey Learning.

6. Financial position

The Group's net tangible asset position can be summarised as follows:

	2019	2018
Net tangible assets ($)	**86,768,149**	64,247,495
Shares on issue	**257,285,224**	257,368,627
Net tangible asset backing per share (cents)	**33.7**	25.0

As at 30 June 2019 the Group has cash and short term deposits of $6,410,345 (2018: $19,915,387) which represents 7.0% of total gross assets (2018: 30.4%).

At 30 June 2019 the Group has assessed that it will make future taxable profits and has recognised a net deferred tax asset of $7,882,179 in the consolidated statement of financial position. In the prior period a deferred tax asset was recognised but only to the extent of the value of the deferred tax liability. The pre-tax NTA as at 30 June 2019 was 30.7 cps (2018: 25.0 cps).

7. Prospects

The Board is optimistic that technology focussed investment opportunities, which may be attractive to the Group, will continue to emerge over the coming period.

8. Material business risks

The Group's risk management and compliance framework operated effectively from the commencement of the Investment Management Agreement on 11 January 2017 ensuring that the two identified main areas of risk (investment risk and operational risk) were appropriately monitored and managed.

With an investment mandate with exposures to global listed and unlisted, technology investments across all phases of the investment lifecycle, TEK will always bear investment risk as these assets are not risk free.

9. Changes in state of affairs

On 8 November 2018 TEK completed a minimum holding share buy-back, with 1,115 shareholders having their shares bought back at a total cost of $21,234.

10. 2019 Remuneration report (audited)

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

10.1 Key management personnel (KMP)

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 Group.

For Thorney Technologies Ltd the continuing KMP are the Non-executive directors and the Investment Manager.

The KMP during or since the end of the financial year were:

Directors
- Alex Waislitz (Chairman)
- Alan Fisher (Non-executive director)
- Jeremy Leibler (Non-executive director)
- Martin Casey (Non-executive director)

Investment Manager
- Thorney Management Services Pty Ltd (TMS)

10. 2019 Remuneration Report (audited) (continued)

10.2 Remuneration of KMP

(a) Remuneration of Directors

Non-executive directors are remunerated by the Group. It is the policy of the Board to remunerate those external Directors at market rates commensurate with the responsibilities undertaken by Non-executive Directors.

Non-executive Directors' fees

The external Non-executive Directors' base remuneration is reviewed annually. The amount of base remuneration is not dependent on the satisfaction of a performance condition, or on the performance of the Group, TEK's share price, or dividends paid by TEK.

Non-executive Chairman's fees

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

Retirement benefits for Directors

TEK 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

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

10. 2019 Remuneration Report (audited) (continued)

10.2 Remuneration of KMP (continued)

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

2019 KMP Remuneration	Short term benefits		Post-employment benefits	Total
	Fees $	Other $	Superannuation $	$
Current directors				
Alex Waislitz	0	0	0	0
Alan Fisher	50,000	0	4,750	54,750
Jeremy Leibler[1]	54,750	0	0	54,750
Martin Casey	50,000	0	4,750	54,750
Total KMP remuneration	**154,750**	**0**	**9,500**	**164,250**

[1] Mr Leibler's fees are paid or payable to Arnold Bloch Leibler and exclude GST. Arnold Bloch Leibler is a legal firm of which Mr Leibler is a partner.

2018 KMP Remuneration	Short term benefits		Post-employment benefits	Total
	Salary and fees $	Other $	Superannuation $	$
Alex Waislitz	0	0	0	0
Alan Fisher	50,000	0	4,750	54,750
Jeremy Leibler	54,750	0	0	54,750
Martin Casey[2]	50,000	0	4,750	54,750
Total KMP remuneration	**154,750**	**0**	**9,500**	**164,250**

[2] Mr Casey's fees for FY 2017 were accrued and paid in FY 2018.

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.

(c) 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 Group.

- Commenced as Director on 9 December 2016
- No term of agreement has been set unless the Director is not re-elected by shareholders of TEK
- No base salary or other compensation was received from the Group
- The Director is employed under an employment agreement with Tiga Trading Pty Ltd which will continue indefinitely until terminated

10.2 Remuneration of KMP (continued)

(d) Remuneration of the Investment Manager

The Investment Manager is a corporate entity controlled by Mr Waislitz that has specified authority and responsibility in regard to the management of the Group's investment portfolio and is remunerated by the Group in accordance with the Investment Management Agreement (IMA) between the Group and the Investment Manager.

Remuneration of the Investment Manager has two key components, a Base Fee and a Performance Fee.

A **Base Fee** equal to 0.75% per each half year period of the gross asset value of the Group, payable half-yearly in arrears, calculated as at the last business day of the relevant half-year; and

A **Performance Fee**, the greater of zero and the amount calculated as 20% of the *Increase Amount* for the relevant period. The *Increase Amount* is the movement in the *Measurable Portfolio* value from the previous period plus or minus any applicable adjustments. The Increase Amount is reduced by the amount of Base Fee applicable to the relevant period. *Measurable Portfolio* includes measurable financial assets, including cash and excluding deferred tax assets. If there is no *Increase Amount* for a financial period, the shortfall is not carried forward and not deducted from any increase in future financial period(s) for the purposes of calculating future Performance Fees.

In respect of the year ended 30 June 2019, the Investment Manager was entitled to fees as follows:

Half Year Period Ended:	Remuneration under IMA paid or payable to TMS	2019 $	2018 $
31 December	Base Fee	489,349	552,336
30 June	Base Fee	686,803	491,051
	Total Base Fees	**1,176,152**	**1,043,387**
31 December	Performance Fee	-	2,370,337
30 June	Performance Fee	3,333,175	-
	Total Performance Fees	**3,333,175**	**2,370,337**
	Total Remuneration[1]	**4,509,327**	**3,413,724**

[1] Amounts shown here are GST exclusive

(e) History of TEK performance

The table below summarises TEK's key financial performance indicators.

As at 30 June	Earnings $	EPS (cents per share)	Share price (cents per share)	NTA (cents per share)
2019	**22,541,888**	**8.8**	**24.5**	**33.7**
2018	5,564,438	2.3	24.5	25.0
2017	3,278,487	3.7	22.0	22.7

Earnings are for discontinued and continuing operations and for FY 2019 include the income tax benefit arising from the recognition of deferred tax assets.

10. 2019 Remuneration Report (audited) (continued)

10.3 Remuneration of Administrators/Liquidators/Receivers (appointed January 2016)

Certain non-controlled subsidiaries were managed by Receivers and Liquidators during the year and their remuneration is included for disclosure purposes only. The amounts shown here are not included in the 2019 financial statements as they are paid out of funds controlled by creditors not the Group.

The Administrators/Liquidators/Receivers during or since the end of the financial year were:

Liquidators (and former Administrators)

- PwC Australia (Liquidators to non-controlled subsidiaries)

Receivers

- Korda Mentha (Receivers to two operating subsidiaries which no longer form part of the TEK group)

(a) Remuneration of Liquidators of subsidiaries (and former Administrators)

PwC Australia are the current Liquidators of Biodiesel Producers Pty Ltd and Australian Renewable Fuels Adelaide Pty Ltd. The remuneration of Liquidators was approved by creditors and paid out of a creditors trust with funds not controlled nor owned by the Company. No remuneration was paid to the Liquidators during the year.

(b) Remuneration of Receivers

Partners of Korda Mentha were appointed by secured creditors on 20 January 2016 as Receivers of Biodiesel Producers Pty Ltd and Australian Renewable Fuels Adelaide Pty Ltd. At the date of this report these subsidiaries remain under the control of the Receivers. The remuneration paid to Korda Mentha, the Receivers, during the year, including costs, is as follows:

KMP	Group Company	2019 $	2018 $
Korda Mentha	Biodiesel Producers Pty Ltd	-	341,178
Korda Mentha	Australian Renewable Fuels Adelaide Pty Ltd	-	135,384
Korda Mentha	**Total Remuneration**	**-**	**476,562**

11. Directors' relevant interests

The number of TEK ordinary shares held by KMP in the Group is as follows:

Directors and other key management personnel (KMP)	Balance at 30 June 2017	Acquired during FY18	Balance at 30 June 2018	Acquired during FY19	Balance at 30 June 2019
	Number[2]	Number	Number[2]	Number	Number[2]
Directors					
Alex Waislitz	43,462,038	13,617,021	57,079,059	3,312,153	60,391,212
Alan Fisher	1,000	49,000	50,000	-	50,000
Jeremy Leibler	169,500	212,766	382,266	110,000	492,266
Martin Casey	-	-	-	-	-
Other KMP					
Thorney Management Services Pty Ltd (TMS)	43,462,038	13,617,021	57,079,059	3,312,153	60,391,212

[2] Holdings include all direct, indirect or associated party ownership

[3] Pursuant to the *Corporations Act 2001*, Alex Waislitz and TMS have a deemed relevant interest in the ordinary shares of TEK held by Thorney Holdings Pty Ltd and Tiga Trading Pty Ltd.

Since the end of the financial year Thorney Holdings Proprietary Limited has purchased 200,000 shares on market taking Alex Waislitz and TMS's total holding to 60,591,212. There have been no changes in Directors' relevant interests in shares since the end of the financial year. All Directors have duly notified the Australian Securities Exchange in accordance with the *Corporations Act 2001* of changes in their relevant interests during the year.

12. Board and committee meetings

The number of Board meetings, including meetings of Board Committees, held during the year ended 30 June 2019 and the number of those meetings attended by each Director is set out below:

Name of Director	Directors' Meetings		Audit & Risk Committee	
	Eligible	Attended	Eligible	Attended
Alex Waislitz	6	6	4	3
Alan Fisher	6	6	4	4
Jeremy Leibler	6	6	4	4
Martin Casey	6	6	4	4

13. Subsequent events

There were no significant events at balance date.

14. Environmental regulations

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

15. Dividends

No dividends have been paid or declared since the start of the financial year.

16. Indemnification and insurance of officers and auditor

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

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 Group 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.

17. Non-audit services

Details of amounts paid or payable to Ernst & Young for audit services provided during the year are set out in Note 14 of this report

There were no non-audit services performed by TEK's auditor, Ernst & Young, during the 2019 financial year.

18. Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 19.

On behalf of the Directors,

Alex Waislitz
Chairman

Melbourne, 27 August 2019

Corporate governance statement

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

In the *2019 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 3rd Edition. Where there is non-adherence we disclose why TEK considers that it is necessary to take a different approach.

The updated 2019 statement was approved by the Board on 17 June 2019.

Ernst & Young
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Auditor's Independence Declaration to the Directors of Thorney Technologies Ltd

As lead auditor for the audit of Thorney Technologies Ltd for the financial year ended 30 June 2019, 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; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Thorney Technologies Ltd and the entities it controlled during the financial year.

Ernst & Young

Kester Brown
Partner
27 August 2019

Consolidated statement of comprehensive income for the year ended 30 June

	Note	2019 $	2018 $
Income			
Net changes in fair value of investments		**19,626,237**	8,951,691
Interest income		**312,160**	502,055
Dividend income		**30,448**	68,269
Other income		**(114,298)**	187,722
Total investment income	2	**19,854,547**	**9,709,737**
Expenses			
Management fees	15	**(1,205,557)**	(1,069,472)
Performance fees	15	**(3,416,505)**	(2,429,596)
Directors' fees		**(169,725)**	(221,050)
Finance costs		**(119)**	(266)
Fund administration and operational costs		**(102,874)**	(138,287)
Legal & professional fees		**(248,874)**	(229,874)
Other administrative expenses		**(51,184)**	(56,754)
Total expenses		**(5,194,838)**	**(4,145,299)**
Profit before income tax		**14,659,709**	**5,564,438**
Income tax benefit	3	**7,882,179**	**-**
Total comprehensive profit for the year		**22,541,888**	**5,564,438**

		2019 cents	2018 cents
Basic and diluted earnings per share	11	**8.8**	2.3

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 30 June

	Note	2019 $	2018 $
ASSETS			
Current assets			
Cash and short term deposits	4	**6,410,345**	19,915,387
Financial assets	6	**51,077,597**	37,889,426
Receivables	7	**1,341,480**	2,642
Other assets		**17,502**	18,088
Total current assets		**58,846,924**	**57,825,543**
Non-current assets			
Financial assets	6	**24,379,691**	7,647,877
Receivables	7	**465,000**	-
Deferred Tax Assets	3	**7,882,179**	-
Total non-current assets		**32,726,870**	**7,647,877**
TOTAL ASSETS		**91,573,794**	**65,473,420**
LIABILITIES			
Current liabilities			
Trade and other payables	8	**4,805,645**	1,225,925
Total current liabilities		**4,805,645**	**1,225,925**
TOTAL LIABILITIES		**4,805,645**	**1,225,925**
NET ASSETS		**86,768,149**	**64,247,495**
EQUITY			
Issued capital	9	**55,973,077**	55,994,311
Reserves	10	**47,984,941**	17,252,420
Accumulated losses		**(17,189,869)**	(8,999,236)
TOTAL EQUITY		**86,768,149**	**64,247,495**

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

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

2019	Issued capital $	Profits reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2018	**55,994,311**	**17,252,420**	**(8,999,236)**	**64,247,495**
Profit for the period			**22,541,888**	**22,541,888**
Total comprehensive income	**-**	**-**	**22,541,888**	**22,541,888**
Transfers to profit reserve	**-**	**30,732,521**	**(30,732,521)**	**-**
Share buyback[1]	**(21,234)**	**-**	**-**	**(21,234)**
Balance at 30 June 2019	**55,973,077**	**47,984,941**	**(17,189,869)**	**86,768,149**

2018	Issued capital $	Profits reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2017	**41,257,949**	**2,688,746**	**-**	**43,946,695**
Profit for the period	-	-	5,564,438	**5,564,438**
Total comprehensive income	**-**	**-**	**5,564,438**	**5,564,438**
Shares issued under the Offer	15,000,000	-	-	**15,000,000**
Costs of share issue	(263,638)	-	-	**(263,638)**
Transfers to profit reserve	-	14,563,674	(14,563,674)	**-**
Balance at 30 June 2018	**55,994,311**	**17,252,420**	**(8,999,236)**	**64,247,495**

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

[1] TEK reduced its issued capital via a S257B *Corporations Act 2001* share buyback.

Consolidated statement of cash flows for the year ended 30 June

	Note	2019 $	2018 $
Cash flows from operating activities			
Interest income		**312,160**	502,055
Dividends received		**30,448**	68,269
Proceeds from sale of trading investments		**23,911,580**	14,721,927
Payments for trading investments		**(19,862,197)**	(20,613,632)
Payments to suppliers		**(1,595,211)**	(5,381,119)
Finance costs paid		**(119)**	(266)
Other		**87,866**	(273)
Net cash provided by (used in) operating activities	4(a)	**2,884,527**	**(10,703,039)**
Cash flows from investing activities			
Payments for long-term investments		**(15,903,706)**	(4,655,958)
Loans to third parties		**(465,000)**	-
Net cash used in investing activities		**(16,368,706)**	**(4,655,958)**
Cash flows from financing activities			
Proceeds from issue of shares		**-**	15,000,000
Payment for equity raising transaction costs		**-**	(263,638)
Payment for share buy-back		**(21,234)**	-
Net cash provided by (used in) financing activities		**(21,234)**	**14,736,362**
Net decrease in cash held		**(13,505,413)**	(622,635)
Cash at the beginning of the period		**19,915,387**	20,521,143
Effect of movement in exchange rates on cash balances		**371**	16,879
Cash at the end of the period	4	**6,410,345**	**19,915,387**

The consolidated statement of cash flows should be read in conjunction with the accompanying notes and includes cash flows relating to discontinued operations.

Notes to the Financial Statements

1. Significant accounting policies

Corporate information
The consolidated financial statements of Thorney Technologies Ltd and its subsidiaries (collectively, the Group) for the year ended 30 June 2019 were for issue in accordance with a resolution of the directors on 27 August 2019. Thorney Technologies Ltd (TEK, the Group or the Parent) is a Group limited by shares, incorporated and domiciled in Australia. The nature of the operations and principal activities of the Group are described in the director's report.

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

1.1 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 Group 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 Group has adopted a number of new and amended Australian Accounting Standards and AASB interpretations for the reporting period, including the following list:

Financial Instruments – Amendments to AASB 9 Financial Instruments
AASB 9 (2014) is a new standard which replaces AASB 139 *Financial Instruments: Recognition and Measurement* and supersedes AASB 9 issued in December 2009 (version early adopted by the Company) and AASB 9 (issued in December 2010). AASB 9 (2014) brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. AASB 9 (2015) is effective for the Group from 1 July 2018. The Group did not early adopt this version, although assessed that the impact as not being material. Key changes to AASB 9 (2014) since early adoption in 2009 are discussed below.

1. Significant accounting policies (continued)

1.1 Summary of accounting policies (continued)

(a) Basis of preparation (continued)

Classification and measurement

AASB 9 (2014) introduced a new mandatory category for debt instruments to be at fair value through other comprehensive income for financial assets that have contractual cash flows that meet the Solely Payments of Principal and Interest (SPPI) criteria and are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. This later version also includes a revised application guidance for classification and measurement of financial assets concerning what constitutes SPPI and requires changes in fair value due to a change in the entity's own credit risk for financial liabilities designated at fair value through profit or loss to be presented in other comprehensive income.

Impairment

Impairment was not included in the 2009 version of AASB 9. Under AASB 9 (2014), impairment of financial assets is recognised based on the lifetime expected credit loss which is determined when the credit risk on a financial asset has increased significantly since initial recognition. When there has been no significant increase in credit risk, 12-month expected credit loss is recognised. The new impairment requirements are applicable for the Group's cash and short term deposits and receivables. The application of the new requirements does not have material impact to the Group.

Hedge accounting

Hedge accounting was not included in the 2009 version of AASB 9. The Group does not have any existing designated hedging relationships for accounting purposes and therefore does not expected the impact to be material to the Group.

AASB 15 Revenue from contracts with customers

This standard replaces AASB 118 *Revenue and other revenue-related standards and interpretations*. The 'core principle' of AASB 15 is that an entity recognises revenue related to the transfer of promised goods or services passes to customers. The amount of revenue recognised should reflect the consideration to which the Group expects to be entitled in exchange for those goods and services and is either recognised 'over time' or 'at a point in time'. AASB 15 also requires disclosure of the nature, amount, timing and uncertainty of revenue and cash-flows arising from contracts with customers.

Transitioning to AASB 15 has had no material impact on the Group's financial statements, as the Group's revenue is outside the scope of the standard.

Standards issued that might have an impact but not yet effective

The Group has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet effective for the year ended 30 June 2019.

AASB 16 Leases

This standard applies from 1 July 2019 but is not expected to impact the Group as the Group currently does not have lease arrangements where the Group acts as lessee.

1. Significant accounting policies (continued)

1.1 Summary of accounting policies (continued)

(b) Basis of consolidation

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

- TEK obtains funds from shareholders for the purpose of providing them with investment management services;
- TEK'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 TEK are measured and evaluated on a fair value basis.

TEK meets all the typical requirements of an investment entity.

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

1.2 Accounting judgements and estimates

The preparation of the Group'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 affect the reported fair value of financial instruments.

Discontinued operations
The Group was placed into administration on 20 January 2016 and its operating subsidiaries were placed into administration on 21 January 2016. The effect of the appointment of Administrators was that from this date these subsidiaries were no longer under the control of the parent entity and that all exposures, rights and involvements had been transferred to the Administrators. The Directors no longer had the ability to exercise powers to affect investor returns over these companies and hence ceased to consolidate the subsidiaries from this date. The Directors are anticipating zero consideration as any net proceeds from the wind up of these Companies will belong to the note holders and employees.

1. Significant accounting policies (continued)

(b) Basis of consolidation (continued)

1.3 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 Group 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 Group 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. 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 their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal 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 Group commits to purchase or sell the asset.

The Group 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 Group. Otherwise the Group 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 Group does not account for its investments in associates using the equity method. Instead the Group measures its investments in associates through fair value through profit and loss.

1. Significant accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

a) Financial instruments (continued)

(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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(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 any directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Group recognises the difference in the statement of comprehensive income, unless specified otherwise.

(v) Subsequent measurement
After initial measurement, the Group remeasures financial instruments which are classified as at fair value through profit or loss at fair value (see Note 5). 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'.

1. Significant accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

b) Fair value measurement

The Group 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 Group.
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 Group 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 Group's functional and presentation currency is the Australian Dollar, which is the currency of the primary economic environment in which it operates. The Group'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.

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.

1. Significant accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

e) Dividend revenue
Dividend revenue is recognised when the Group'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 Consolidated 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 Consolidated 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 Consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents 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 Group 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.

1. Significant accounting policies (continued)

1.3 Summary of significant accounting policies (continued)

i) Due to and due from brokers
Amounts due to brokers (refer to Note 8) 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 (refer to Note 7) 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.

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

k) Goods and services tax (GST)
Revenue, expenses and assets are recognised net of the amount of GST except:

i. 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
ii. Receivables and payables are stated with the amount of GST included.

Reduced input tax credits (RITC) recoverable by the Group 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.

l) Performance Fee
The Performance Fee is calculated in accordance with the Investment Management Agreement and accrued at each half year end. If the Increase Amount in any six month period is positive then a Performance Fee of 20% of the adjusted Increase Amount is accrued and paid to the Investment Manager within 60 days on production of a tax invoice. If there is no increase amount the shortfall is not carried forward or deducted in future periods when calculating future performance fees.

2. Total investment income

The major components of investment income in the Consolidated statement of comprehensive income are:

	2019 $	2018 $
Realised gains	**16,027,701**	5,030,665
Unrealised gains	**3,598,536**	3,921,026
Unrealised FX (losses)/gains	**(194,436)**	187,722
Interest income	**312,160**	502,055
Dividend income	**30,448**	68,269
Other income	**80,138**	-
Total investment income	**19,854,547**	9,709,737

3. Income tax

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

	2019 $	2018 $
Profit before income tax expense	**14,659,709**	5,564,438
Prima facie tax expense on profit from ordinary activities before income tax expense at 27.5% (2018: 27.5%)	**(4,031,420)**	(1,530,220)
Deferred income tax (expense)		
- Imputation credits converted to losses	**-**	8,656
- Imputation credits on dividends received	**-**	(2,380)
Other non-assessable expenses	**313**	68,361
Assessable income	**(17,660)**	(682,879)
Debt forgiveness – Convertible note	**-**	(3,378,808)
Capital allowances	**275,000**	-
Initial recognition of DTA on tax losses[1]	**11,655,946**	5,461,996
Prior period adjustments	**-**	55,274
Income tax benefit recognised in the Consolidated statement of comprehensive income	**7,882,179**	-
Deferred tax		
Trading stock	**(5,271,102)**	(3,922,446)
Long term financial assets	**(268,474)**	202,118
Business establishment costs	**437,502**	500,018
Other	**75,693**	17,473
Losses available for offsetting against future taxable income	**29,854,043**	22,561,339
Net deferred tax asset	**24,827,662**	19,358,502
Net deferred tax asset recognised	**7,882,179**	-

[1] At 30 June 2019 the Group has assessed that it will make future taxable profits and such losses will be utilised. In the prior year a deferred tax asset was recognised to the extent of the value of the deferred tax liability.

At 30 June 2019 the Group has estimated unused gross revenue tax losses of $108,560,156 (2018: $115,240,555) that are available to offset against future taxable capital and revenue profits, subject to continuing to meet relevant statutory tests.

The unrecognised deferred tax asset in respect of the gross revenue tax losses is $16,945,483 (2018: $28,488,318).

4. Cash and short-term deposits

	2019 $	2018 $
Cash at bank	**6,410,345**	19,915,387
Total cash and short-term deposits	**6,410,345**	19,915,387

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 1 day and 90 days, depending on the immediate cash requirements of the Group, 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:

	2019 $	2018 $
Profit for the year	**22,541,888**	5,564,438
Adjustments for non-cash items:		
Unrealised component of change in fair value of investments	**(3,598,536)**	(3,921,026)
FX revaluation	**202,163**	(187,995)
Changes in Assets & Liabilities:		
(Increase)/ decrease in receivables	**(1,338,837)**	83,753
(Decrease)/increase in creditors & accrued expenses	**3,579,720**	(773,536)
(Increase) in financial assets	**(10,620,278)**	(11,477,429)
Decrease in other assets	**586**	8,756
(Increase) in deferred tax assets	**(7,882,179)**	-
Net cash (used in) operating activities	**2,884,527**	(10,703,039)

5. Fair value measurements

To reflect the source of valuation inputs used when determining the fair value of its financial assets and financial liabilities, the Group 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. The fair value of these investments is based on the last sale price for the security as quoted on the relevant exchange
Level 2:	valuation techniques using market observable inputs, either directly or indirectly.
Level 3:	valuation techniques using non-market observable data with the fair value for investments based on inputs determined by Directors' valuation

5. Fair value measurements (continued)

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

	2019 $	2018 $
Assets measured at fair value		
Level 1: Listed equities	**50,053,934**	36,529,879
Level 2: Receivables[1] and unlisted equities[2]	**-**	111,420
Level 3: Financial Assets[3]	**25,403,354**	8,896,004
Total financial assets	**75,457,288**	45,537,303
Total current	**51,077,597**	37,889,426
Total non-current	**24,379,691**	7,647,877
Liabilities measured at fair value		
Level 1: -	**-**	-
Level 2: -	**-**	-
Level 3: -	**-**	-
Total financial liabilities	**-**	-

[1] Given the short-term maturities, the fair value of the assets and liabilities are recognised at the face value of the invoice

[2] Financial assets are valued using *International Private Equity and Venture Capital Valuation Guidelines'.*

[3] Loan notes and unlisted equities (level 3) are valued at recent transaction price, adjusted for changes in value, which equates to fair value. The value of loan notes and unlisted equities (level 3) may increase or decrease depending on the success of start-up operations, and revenue growth.
The single largest Level 3 financial asset is Updater Inc. at $8,836,960. TEK acquired a holding when Updater Inc. was listed on the ASX. Since delisting, Updater has provided regular business updates to its shareholders. TEK has valued its investment at the voluntary buy-back price of AUD $1.25 per share and adjusted for the 1:25 conversion to common shares and translated at the USD:AUD spot rate as at 30 June 2019.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group 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.

5. Fair value measurements (continued)

Reconciliation of recurring fair value measurements categorised within Level 3 is as follows:

Financial assets:	Loan notes	Unlisted equities	Total
Balance at 1 July 2018	**2,012,050**	**6,883,954**	**8,896,004**
Unrealised (loss)/gain recognised in Consolidated statement of comprehensive income	**(1,142,608)**	**1,807,236**	**664,628**
Conversion of loan notes to unlisted equities	**(869,442)**	**869,442**	**-**
Transfer from Level 1 – delisting from ASX (Updater Inc.[1])	**-**	**7,442,395**	**7,442,395**
Transfers to Level 1 – ASX listing	**-**	**(996,255)**	**(996,255)**
Purchases of financial assets	**1,954,770**	**7,441,812**	**9,396,582**
Balance at 30 June 2019	**1,954,770**	**23,448,584**	**25,403,354**

[1] Updater Inc. voluntarily delisted from the ASX with shareholder approval effective 10 October 2018. The fair value of this investment included in unlisted equities at 30 June 2019 was $8,836,960, which comprises transfer from level 1, purchases plus unrealised gains.

Balance at 1 July 2017	1,350,067	1,633,349	2,983,416
Unrealised loss recognised in Consolidated statement of comprehensive income	(487,527)	(230,743)	(718,270)
Conversion of loan notes to unlisted equities	(504,099)	504,099	-
Purchases of financial assets	1,653,609	4,977,249	6,630,858
Balance at 30 June 2018	2,012,050	6,883,954	8,896,004

6. Financial assets

	2019 $	2018 $
Financial assets at fair value through profit and loss		
Listed equities[1]	**50,053,934**	36,529,879
Receivables and unlisted equities[2]	**-**	111,420
Financial assets[2]	**25,403,354**	8,896,004
Total financial assets	**75,457,288**	45,537,303
Total current	**51,077,597**	37,889,426
Total non-current	**24,379,691**	7,647,877

[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.

[2] Measured at fair value, calculated with inputs deemed to be Level 3 under the Fair Value hierarchy as prescribed in AASB 13.

7. Receivables

	2019 $	2018 $
Unsettled trades[1]	1,229,620	-
Loan facility[2]	471,529	-
GST and other	105,331	2,642
Total receivables	**1,806,480**	2,642
Total current	**1,341,480**	2,642
Total non-current[2]	**465,000**	-

[1] Outstanding settlements include amounts due from brokers for settlement of securities sold and are settled within 2 days of the transaction.

[2] The Group provided a $1,200,000 loan facility to Skyfii Ltd in May 2019, with a maturity date of 31 May 2021. Interest on the loan facility is payable quarterly, with a total annual interest cost of 10% if fully drawn. Thorney Technologies Ltd was paid an Arrangement Fee of $20,000 and issued 5,714,285 options.

The carrying value of receivables approximates fair value.

8. Trade and other payables (current)

	2019 $	2018 $
Management fee payable	703,974	503,327
Performance fee payable	3,416,505	-
Sundry creditors and accruals	154,672	167,539
Outstanding settlements	530,494	555,059
Total trade and other payables	**4,805,645**	1,225,925

Payables are non-interest bearing and unsecured.

The Management Fee and Performance Fee are paid within 60 days of receiving an invoice from the Investment Manager. Sundry creditors are generally paid in accordance with the terms negotiated with each individual creditor. Outstanding settlements include amounts due to brokers for settlement of security purchases and are settled within 2 days of the transaction.

The carrying value of payables approximates fair value.

9. Issued capital

	2019 Number of shares	2018 Number of shares	2019 $	2018 $
(a) Ordinary shares				
Balance at 1 July	**257,368,627**	193,538,840	**55,994,311**	41,257,949
Ordinary shares issued	**-**	63,829,787	**-**	15,000,000
Costs of share issue	**-**	-	**-**	(263,638)
Share buy-back	**(83,403)**	-	**(21,234)**	-
Total issued and authorised capital	**257,285,224**	257,368,627	**55,973,077**	55,994,311

(b) Terms and conditions:

Ordinary shares
Ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Group 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 Group.

10. Reserves

	2019 $	2018 $
Profits reserve	**47,984,941**	17,252,420
Movement in profits reserve:		
Balance at 1 July	**17,252,420**	2,688,746
Transfers from retained earnings	**30,732,521**	14,563,674
Balance at 30 June	**47,984,941**	17,252,420

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

11. Earnings per share

	June 2019	June 2018
Earnings attributable to owners of Thorney Technologies Ltd:		
- Continuing operations	**22,541,888**	5,564,438
- Discontinued operations	**-**	-
- Total	**22,541,888**	5,564,438
Weighted average number of shares(i)		
- Basic and diluted	**257,314,929**	239,303,923
Basic and diluted earnings/(loss) per share (cents)		
- Continuing operations	**8.8**	2.3
- Discontinued operations	**-**	-
- Total	**8.8**	2.3

(i) The weighted average number of shares used in calculating earnings per share has been adjusted for the share buyback that took place on 8 November 2018.

12. Segment information

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

13. Key management personnel compensation

Key management is defined as Directors, other key management personnel as referred to in the remuneration report.

The aggregate compensation made to key management personnel of the Group is set out below:

	2019 **$**	**2018** **$**
Short-term employee benefits	**154,750**	193,473
Post-employment benefits - superannuation	**9,500**	13,179
Total key management personnel compensation	**164,250**	206,652
FY 2017 director fees paid in FY 2018	**-**	(42,401)
Reconciliation to KMP Remuneration tables in Directors' report	**164,250**	164,250
Base fees	**1,176,152**	1,043,387
Performance fees	**3,333,175**	2,370,337
Total remuneration of Investment Manager	**4,509,327**	3,413,724

The below table shows the remuneration of Administrators and Receivers, as referred to in the remuneration report:

The remuneration of administrators and receivers is included for disclosure purposes only. The amounts shown here are not included in the 2019 financial statements as they are paid out of funds controlled by creditors not the Group.		
[1]Administrators fees and costs	**-**	-
[2]Receivers fees and costs	**-**	476,562
Total remuneration of Administrators/Liquidators/Receivers	**-**	476,562

[1] The remuneration of the Administrators was calculated on a time basis at hourly rates. These rates were voted on and approved by creditors.

[2] The remuneration of the Receivers was calculated on a time basis at hourly rates. These rates are the standard scheduled rates agreed between the Receivers and their appointor under the terms of their registered security.

14. Auditor's remuneration

	2019 **$**	**2018** **$**
Remuneration of the auditor for:		
Audit and review of financial reports	**71,900**	67,980
Other services	**-**	-
	71,900	67,980

15. Related party transactions

The Group has entered into an Investment Management Agreement (IMA) with Thorney Management Services Pty Ltd (TMS) for a period of 10 years and expiring 11 January 2027. Under the IMA TMS is entitled to a base fee and a performance fee which is calculated for each six month period.

For FY 2019 a base fee was paid to TMS for 1H 2019 of $489,349 (1H 2018: $552,337) and payable to TMS for 2H 2019 of $686,803 (2H 2018: $491,051).

For FY 2019 a performance fee was paid to TMS for 1H 2019 of $nil (1H 2018 $2,370,337) earned on the calculated increase amount of the portfolio for the six month period ending 31 December 2018 (1H 2019) of $nil (1H 2018: $11,851,687). For 2H 2019 the performance fee was $3,333,175 (2H 2018: $nil) as the 2H 2019 increase amount was $16,665,876 (2H 2018: $nil).

Tiga Trading Pty Ltd (TTPL), a related body corporate of TMS, employs personnel to provide Group secretarial and financial accounts preparation services to Thorney Technologies Ltd. These services are provided on commercial terms and total $52,000 for 2019 (2018: $52,000).

As at 30 June 2019 TEK has a payable of $nil (2018: $nil) to Thorney Omega Pty Ltd (THYO), a related body corporate of TMS. Certain investments are held in trust on behalf of TEK by the following related parties THYO, TTPL and Thistle Custodians Pty Ltd (THSC).

During the period, TTPL engaged Bridgewater Capital Pty Ltd, an advisory firm of which Martin Casey is a director, to provide a range of services and TMS has sought reimbursement for work performed relating to the Group totalling $1,100 (2018: $16,500).

TMS, TTPL, THYO, THSC, Thorney Holdings Proprietary Limited 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).*

During the year, the Group engaged Arnold Bloch Leibler, a legal firm of which Jeremy Leibler is a partner, to provide legal advice totalling $56,385 (2018: $97,638).

In accordance with the terms of Mr Leibler's appointment, a payment of $54,750 (2018: $54,750) was paid or payable to Arnold Bloch Leibler as remuneration for his role as a Director of the TEK up until 30 June 2019.

All amounts above are shown ex GST.

16. Financial risk management

The Group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Group'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 Group's continuing profitability. The Group 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.

(a) Credit risk

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

The Group 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. Credit risk relating to unsettled transactions is considered small, due to the short settlement period and the high credit quality of brokers used. Expected credit losses associated with the loan facility have been assessed as immaterial to the financial statements, calculated in-line with the Group's accounting policy.

Where the Group has counterparty exposure the Investment Manager monitors the counterparty in order to assess its ability to meet its interest and principal obligations.

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

(b) Liquidity risk

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

The Group invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. Unlisted securities and other unlisted financial instruments are generally less readily convertible into cash as listed investments.

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

(c) Currency risk

The Group has exposure to foreign currency denominated cash and borrowings and also other financial assets and liabilities denominated in foreign currencies as it invests in listed and unlisted international and Australian companies.

16. Financial risk management (continued)

(c) Currency risk (continued)

Therefore the Group is exposed to movements in the exchange rate of the Australian dollar relative to foreign currencies.

The Group's total net exposure to fluctuations in foreign currency exchange rates at the Consolidated statement of financial position date is:

All amounts stated in AUD equivalents	2019 $	2018 $
Assets and Liabilities as fair value		
US Dollars	**16,686,074**	4,336,802
Total	**16,686,074**	4,336,802

At balance date, had the Australian dollar declined by 10% against the foreign currencies in which the Group holds foreign currency denominated monetary assets and liabilities (receivables, investments and borrowings), with all other variables held constant, the impact of monetary assets and liabilities on the Group's equity and net profit after tax would have been:

Australian dollar weakens by 10%	2019 $	2018 $
US Dollars	**1,668,607**	433,680
Total	**1,668,607**	433,680

A 10% increase in the Australian dollar against the foreign currencies above would have an equal and opposite impact on the Group's equity and net profit. Currency movements may not be correlated.

Had the Australian dollar strengthened by 10% against the foreign currencies in which the Group holds total foreign currency denominated monetary assets and liabilities with all other variables held constant, total equity and net profit after tax would have increased by $1,668,607 (2018: $433,680). A 10% decline in the Australian dollar would have had an equal and opposite impact.

Assets and liabilities in the Consolidated statement of financial position exposed to foreign currencies:

All amounts stated in AUD equivalents	2019 $	2018 $
Assets exposed to foreign currencies	**16,686,074**	4,336,802
Assets not exposed to foreign currencies	**74,887,720**	61,136,618
Assets as per Consolidated statement of financial position	**91,573,794**	65,473,420
Liabilities exposed to foreign currencies	**-**	-
Liabilities not exposed to foreign currencies	**4,805,645**	1,225,925
Liabilities as per Consolidated statement of financial position	**4,805,645**	1,225,925
Net assets exposed to foreign currencies	**16,686,074**	4,336,802
Net assets not exposed to foreign currencies	**70,082,075**	59,910,693
Net assets as per Consolidated statement of financial position	**86,768,149**	64,247,495

16. Financial risk management continued

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 TEK is a listed investment company with a flexible investment mandate, the TEK will always be subject to market risks as the prices of its investment fluctuates with the market.

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investments. The Group 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 $75,457,288 (2018: 45,537,303). A decrease of 10% in share value of securities held could have an impact of approximately $7,545,729 (2018: $4,553,730) on the income or equity attributable to the Group, depending on whether the decline is significant or prolonged. An increase in 10% in share value of securities held would have a similar favourable impact on income and equity.

Interest risk

The Group is not materially exposed to interest rate risk as all of its cash investments and borrowings are short term for fixed and variable interest rates.

17. Contingent assets and liabilities

The Group has no contingent assets or liabilities as at 30 June 2019.

18. Subsidiaries

The parent entity of the Group is Thorney Technologies Ltd, which has the subsidiaries detailed in the following table.

Name of entity	Controller (as at signing date)	Country of Incorporation	Ownership 2019 %	Ownership 2018 %
Parent entity				
Thorney Technologies Ltd	Directors	Australia		
Subsidiaries				
Biodiesel Producers Pty Ltd	Receivers	Australia	**100**	**100**
Australian Renewable Fuels Adelaide Pty Ltd	Receivers	Australia	**100**	**100**
AR Fuels US LLC	Directors	USA	**100**	**100**
58 Jarque Pty Ltd	Directors	Australia	**100**	**100**

All 100% owned Australian entities are part of the tax consolidated group. Subsidiaries that are 100% owned but under control of Administrators or Receivers are, for tax purposes, still included in the tax consolidated group. Entities under control of the Directors are continuing operations.

AR Fuels US LLC remains a dormant subsidiary.

58 Jarque Pty Ltd is 100% consolidated as it is not an investment entity in its own right and its main purpose and activities are providing services that relate the Group's investment activities.

The Group has no significant restrictions on its ability to access or use the assets and settle the liabilities of the Group.

19. Parent entity information

The Consolidated statement of financial position presented in the 2019 Annual report materially approximates that of the parent entity TEK.

No further disclosures are deemed material to this financial report. Refer to Note 18.

20. Subsequent events

There were no significant events at balance date.

Directors declaration

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

1. In the opinion of the directors:

    a. the financial statements and notes of Thorney Technologies Ltd for the financial year ended 30 June 2019 are in accordance with the *Corporations Act 2001*, including:

        i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

        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 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.

This declaration has been made after receiving the declarations required to be made to the directors by the executives in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019.

On behalf of the Board,

Alex Waislitz
Chairman

Melbourne, 27 August 2019

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Independent Auditor's Report

To the Members of Thorney Technologies Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Thorney Technologies Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated 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 Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

(ii) 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 Group 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 APES110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 judgement, 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 and related disclosures

Why significant	How this matter was addressed in the audit
The Group invests in listed and unlisted financial assets which are carried at fair value on the statement of financial position. The investment portfolio at year end was comprised of $50.0m in quoted equity investments, and $25.4m in unlisted investments in start-up and early stage companies. The valuation and existence of the investment portfolio was a key audit matter because investments represent the principal element of the Group's total assets. In addition to the above, the valuation of unlisted investments is a key audit matter because of the degree of judgement involved in valuing these investments. The fair value of these investments is determined using the price of recent transactions, adjusted for any changes in value. The value of unlisted investments may increase or decrease depending on the success of start-up operations and revenue growth. Refer to Note 5 and Note 6 to the financial report for the Investments disclosure.	Our audit procedures included the following: Listed investments • Agreed the quantity of all quoted equity investments held at year end to custodial statements, and further agreed prices to market closing prices. • Recalculated the fair value of investment at year end by multiplying quantity of instruments held at year by the applicable closing price. • Obtained and considered the assurance report that describes the effectiveness of the operational processes and controls of the Group's asset custodian. Unlisted investments • For a sample of investments, obtained confirmations of the Group's investments directly from the investees and agreed the confirmed quantities and amounts to the Group's unlisted investment schedule. • Obtained and agreed investment evidence (eg agreements, trust deeds, share certificates and bank statements) of the Group's investment in its unlisted investments to test the accuracy of the Group's unlisted investments schedule. • Assessed the valuation methodology used to calculate the fair value of unlisted investments, and agreed inputs to underlying support, including recent capital raising. • Considered whether there were any indicators to suggest fair values were not appropriate. Assessed the adequacy of the disclosures included in Note 5 Fair value measurements and Note 6 Financial assets.

Building a better working world

Investment management and performance fees

Why significant	How this matter was addressed in the audit
The Group pays its Investment Manager, Thorney Management Services Pty Ltd (TMS) 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, as stipulated in the Investment Management Agreement (IMA). The base management fee and performance fee are calculated on a half yearly basis. For the year ended 30 June 2019, $1.2m and $3.4m of base management fee and performance fee were recognised, respectively. The measurement of investment management and performance fees was a key audit matter as these fees are significant expenses that reduce the net tangible asset of the Group. Refer to Note 15 of the financial statements.	Our audit procedures included the following: ► Determined whether the calculation of the base management fee and performance fee expenses was determined 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. ► Recalculated the base management fee and performance fee and compared the recalculated amounts to the expenses recognised in the statement of comprehensive income.

Carry forward tax losses

Why significant	How this matter was addressed in the audit
For the year ended 30 June 2019, the Group recognised a deferred tax asset of $11.7 million, in respect of previously unrecognised tax losses. The recognition of the additional deferred tax asset resulted in the Group recognising a net deferred tax asset of $7.9 million at 30 June 2019 (2018: $nil). The recognition was based on management's assessment the tax losses and resulting net deferred tax asset were probable of recoupment. This matter is a key audit matter as the recognition of the deferred tax benefit was significant to the Group's income tax benefit for the year ended 30 June 2019.	Our audit procedures included the following: ► Assessed the availability of the carry forward tax losses. ► Assessed the recoverability of tax losses recognised as a deferred tax asset in the statement of financial position by reference to the forecast taxable income of the Group.

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

The Directors are responsible for the other information. The other information comprises the information in the Group's Annual Report for the year ended 30 June 2019, 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 upon 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.

Directors' Responsibilities 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 Group'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 Group 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated 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 11 to 14 of the Directors' Report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Thorney Technologies Ltd for the year ended 30 June 2019, 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

Kester Brown
Partner

Melbourne
27 August 2019

Additional shareholder information

As at 26 August 2019

Voting rights

All ordinary shares carry one vote per share without restriction.

Distribution of shareholders

Category	Ordinary shareholders
1 – 1,000 shares	123
1001 – 5,000 shares	168
5001 – 10,000 shares	145
10,001 – 100,000 shares	794
100,001 or more shares	332
Total number of holders	1,562
Number of shareholders holding less than a marketable parcel	147

20 largest shareholders of ordinary shares

Name	Number of shares	% of issued capital
THORNEY HOLDINGS PROPRIETARY LIMITED	60,556,379	23.54
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	25,183,592	9.79
FIFTY SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C>	6,278,611	2.44
HSBC CUSTODY NOMINEES <AUSTRALIA LIMITED	5,001,207	1.94
VENN MILNER SUPERANNUATION PTY LTD	5,000,000	1.94
TAMIT NOMINEES PTY LTD <ITESCU FAMILY A/C>	4,545,455	1.77
FRANK COSTA SUPERANNUATION PTY LTD <SHIRLEY COSTA SUPER FUND A/C>	4,400,387	1.71
THIRTY-FIFTH CELEBRATION PTY LTD <JC MCBAIN SUPER FUND A/C>	3,924,781	1.53
AUST EXECUTOR TRUSTEES LTD <GFFD>	2,556,089	0.99
NCOBF PTY LTD <N & C O'BRIEN FAM FOUND A/C>	2,275,000	0.88
MR SILVIO SALOM + MRS METTE SALOM <SALOM SUPER FUND A/C>	2,275,000	0.88
BYTENEW INVESTMENTS PTY LIMITED <TERTINI INVESTMENT A/C>	2,272,728	0.88
MR ROBERT VELLETRI + MRS FRANCINE VELLETRI <ROBERT VELLETRI S/F A/C>	1,909,091	0.74
HALCYCON PTY LTD	1,649,570	0.64
HENGGELER SUPER PTY LTD <TOP BANANAS SUPER FUND A/C>	1,600,000	0.62
DEMETA PTY LTD	1,586,549	0.62
KAPHMY PTY LTD	1,360,000	0.53
PSC INSURANCE GROUP LTD	1,136,364	0.44
GKJT INVESTMENTS PTY LTD <GKJT SUPERANNUATION FUND A/C>	1,063,830	0.41
RIVAN PTY LTD	1,063,830	0.41

Substantial shareholders

Name	Number of shares	% of voting Power
THORNEY HOLDINGS PROPRIETARY LIMITED	60,591,212	23.55
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	25,183,592	9.79

List of investments

	Market value as at 30 June 2019 $
Updater Inc.	8,836,960
Zip Co Ltd	7,386,368
Credible Labs Inc.	5,989,395
Afterpay Touch Group Ltd	5,979,446
iSelect Ltd	2,895,625
Next Science Ltd	2,390,787
Dubber Corporation Ltd	2,233,780
Yojee Ltd	2,071,840
SkyFii Ltd	2,045,333
Mesoblast Ltd	1,910,125
Sensera Ltd	1,612,673
ReadCloud Ltd	1,489,849
OneVue Holdings Ltd	1,328,071
NJOY Holdings Inc.	1,192,061
Livehire Ltd	1,083,279
NEXTDC Ltd	1,005,950
Carbon Revolution Ltd	1,000,000
Oventus Medical Ltd	988,416
Aglive Group Ltd	970,062
Terragen Holdings Ltd	875,000
Daisee Pty Ltd	730,442
Honk Technologies Inc.	711,350
Nexdius Pty Ltd	700,000
GLX Holdings Ltd	693,540
Worthy Inc.	664,818
Credit Clear Pty Ltd	650,000
Liquiglide Inc.	472,059
Caja Elastic Dynamic Solutions Ltd	413,688
Arbe Robotics Ltd	355,675
Become (Lending Express Inc)	330,066
Bitmain Technologies Ltd	284,540
Traackr Inc	256,296
Inception XR Inc	124,486
Other unlisted investments	6,142,311
Other listed investments	9,642,997
Total investments	**75,457,288**