Thorney Opportunities Ltd (TOP)
ABN 41 080 167 264

APPENDIX 4E (Listing Rule 4.3A)

THORNEY
OPPORTUNITIES
TOP

Preliminary final report for the year ended 30 June 2022

RESULTS FOR ANNOUNCEMENT TO THE MARKET
(All comparisons to year ended 30 June 2021)

	$'000s	Movement $'000	Up/ Down	Movement %
Loss from ordinary activities	(2,978)	(41,790)	Down	>100%
Loss before tax for the year	(5,906)	(36,011)	Down	>100%
Loss after tax for the year	(3,723)	(26,251)	Down	>100%

Dividend information	Cents per share	Franked amount per share	Taxing rate for franking
2022 Final dividend cents per share	**1.40**	**1.40**	**25.0%**
2022 Interim dividend cents per share	1.00	1.00	25.0%
2021 Final dividend cents per share	1.35	1.35	26.0%

2022 Final dividend dates	
Ex-dividend date	7 September 2022
Record date	8 September 2022
Payment date	30 September 2022

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) will not operate in respect of the 2022 Final dividend.

	30 June 2022	30 June 2021	Movement
Net tangible asset backing (after tax) per share	66.4 cents	70.4 cents	Down 6%

This information should be read in conjunction with the 2022 Annual Report of Thorney Opportunities Ltd and any public announcements made in the period by Thorney Opportunities Ltd in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and *Listing Rules*.

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

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ANNUAL REPORT 2022

THORNEY OPPORTUNITIES LTD
ABN: 41 080 167 264

THORNEY
OPPORTUNITIES
TOP

Contents

TOP aims to deliver positive returns to shareholders over the medium to long term through the careful selection of investments which enables us to be a constructive catalyst towards unlocking value in the companies identified.

Chairman’s Letter

Dear fellow TOP shareholder,

I am pleased that the TOP investment portfolio performed soundly over FY2022 in the face of global markets which were largely negative with ongoing COVID-19, inflation and interest rate concerns continuing to worry investors and driving down the performance of portfolios and equities worldwide. Since around November 2021, global equity markets have declined significantly.

Despite a fall over the financial year, TOP (including the benefit of dividends), outperformed the S&P Small Ordinaries Index by 16.2%, declining 3.3% compared to a fall of 19.5% in the Index. Since the beginning of FY2023, global equity markets have demonstrated some signs of recovery, with this optimism also manifesting in an increase in the TOP NTA.

This performance is a reflection of our investment strategy. TOP aims to deliver positive returns to shareholders over the medium to long term through the careful selection of investments which enables us to be a constructive catalyst towards unlocking the value in the companies identified.

There are a number of examples in the portfolio where this has been the case, in particular in the infrastructure and resource services sector, with many enjoying strong returns over the financial year despite the ongoing equity market decline.

One of our key holdings in the sector, MMA Offshore Limited (MRM.ASX) continues to secure a number of key long-term vessel contracts and reduce its debt, with additional vessel sales anticipated.

Austin Engineering Limited (ANG.ASX) continues to enjoy a very strong order book and new sales pipeline, while Southern Cross Electrical Engineering (SXE.ASX) has been awarded a number of key contracts over the financial year with record levels of activity largely due to the strength of the resources sector in Western Australia.

Whilst the share price of one of our largest listed holdings, Money3 Corporation Limited (MNY.ASX) fell over FY2022, we remain enthusiastic about the Company’s outlook and earnings potential and are confident that the market will recognise its value over time.

Money3’s share buyback continues to operate and reflects the strong confidence of the Board and Management in the Group’s financial performance and future growth prospects.

Post the end of the financial year, we sold our holding in Ardent Leisure Group Limited (ALG.ASX), which was a very successful investment for TOP shareholders and returned $5.6m cash for reinvestment by TOP following the sale by ALG of its US business, Main Event Entertainment.

Similarly, the takeover of Angel Seafood Holdings in June also delivered $600,000 for reinvestment.

Our largest unlisted holding, Australian Community Media continues its business transformation and the strategic consolidation of various digital real estate businesses. ACM is excited about the positive outlook for the agricultural sector across Australia with its agri-publications demonstrating strong operational performance. In addition, the re-initiation of prominent events, including AgQuip and Farm Fest, had provided further optimism for the future.

TOP’s after tax losses were $3,723,305, down 117% on the previous year.

Net tangible assets (NTA) after tax and fees at 30 June 2022 stood at 66.4 cps – a decrease of 5.7% over that from 12 months ago.

Directors have declared a fully franked final dividend of 1.40 cps which, on top of the interim dividend of 1.00 cps, brings TOP’s total dividend payout for the year to 2.40 cps fully franked. This represents an increase in total dividends paid compared to the prior year of 11.6% and a yield of approximately 5.1% (pre-franking effect).

The higher dividend payout is in line with TOP’s previously stated aim of delivering increased dividends to shareholders whenever possible over time.

Whilst I am very optimistic about TOP’s long-term growth prospects, like all shareholders, I remain disappointed that TOP’s share price has continued to trade below its NTA. Directors, the investment team and I remain focused on initiatives to eliminate discount, including the on-going share buyback.

Outlook

While it is very early days, we are beginning to see some initial signs that the worst of the global declines may be over. The prices of many commodities are now well off their 52-week highs and we are getting reports out of the USA that the pressure on supply chains which has contributed to the inflationary climate is beginning to ease.

If these "green shoots" of economic cooling continue to emerge in coming months, it is possible that central banks will not go as hard with their tightening programs as the market currently anticipates. This would be a positive sign and could lead to a turnaround in the current negative sentiment.

The TOP portfolio is very well placed to benefit from any such turnaround, and we continue to believe that our value-based investment approach will deliver strong performance for shareholders over time.

With a constant eye on the macro, TOP continues to seek out more potential gems while at the same time adjusting our portfolio positions in line with our value models, selling down when we believe prices have become overheated and adding to holdings when we think selling has been overdone.

As always, our goal will remain to keep delivering positive returns for TOP shareholders over time.

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

Alex Waislitz Chairman

25 August 2022

The ongoing improvement in TOP's NTA performance has carried over into FY2022, and underscores TOP's investment philosophy since its inception. TOP remains committed to thorough due diligence which identifies fundamentally mispriced or undervalued companies.

Director's Report

The directors present their report, together with the financial statements of Thorney Opportunities Ltd (TOP or Company), for the year ended 30 June 2022 and the auditor's report thereon.

1. Directors

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

NAME	PERIOD OF DIRECTORSHIP
Alex Waislitz	**Director since 21 November 2013**
Henry D. Lanzer AM	**Director since 21 November 2013**
Ashok Jacob	**Director since 21 November 2013**
Dr Gary H. Weiss AM	**Director since 21 November 2013**

Information on directors

ALEX WAISLITZ B.Ec, LLB,
NON-EXECUTIVE CHAIRMAN

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

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

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

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

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

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

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

Henry D. Lanzer AM was appointed a director of the Company on 21 November 2013 and he is Chairman of the TOP Audit and Risk Committee.

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

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

ASHOK JACOB B.Sc, MBA,
NON-EXECUTIVE DIRECTOR

Ashok Jacob was appointed a director of the Company on 21 November 2013.

Mr Jacob is the current Chairman and Chief Investment Officer of Ellerston Capital Limited. Mr Jacob is a current director of MRF Limited and has been the Chair of the Australia-India Council since April 2015.

Mr Jacob's previous directorships include Consolidated Press Holdings Limited, Publishing and Broadcasting Ltd, Visy Australia Advisory Board, Challenger Financial Group Ltd, Fleetwood Holdings Ltd, Ecorp Ltd, CPH Investment Group Ltd, Folkestone Ltd and SnackFoods Ltd.

He holds a Master of Business Administration from the Wharton School, University of Pennsylvania and a Bachelor of Science from the University of Bangalore.

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

Dr Gary H. Weiss AM was appointed a director of the Company on 21 November 2013.

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

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

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

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

Director's Report

2. Company Secretary

CRAIG SMITH B.Bus (Acct), GIA (CERT), SECRETARY

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

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

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

3. Principal activities

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

There have been no changes in the nature of these activities during the 2022 financial year.

4. Result

The Company's net loss before tax for the 2022 financial year was $5,905,763 (2021: $30,105,004 gain) and the net loss after tax was $3,723,305 (2021: $22,527,361 gain).

Net tangible assets after tax were 66.4 cents per share (2021: 70.4 cents per share).

5. Dividends

On 25 August 2022 the Board declared a final fully franked dividend of 1.40 cents per share (2021 Final dividend: 1.35 cents per share). The tax rate for imputation purposes will be at 25%, which is the maximum allowable under Australian taxation law (i.e.,100% fully franked). The Dividend Reinvestment Plan (DRP) will not operate in respect of the 2022 Final dividend.

The Final dividend will be paid to shareholders on 30 September 2022. The total dividend of approximately $2,725,295 has not been recorded as a liability in the financial accounts. The dividends will be paid to all shareholders who are duly recorded on the register of members as at 5pm on Thursday, 8 September 2022.

The fully franked 2022 Interim dividend of 1.00 cents per share was paid on 31 March 2022.

The fully franked 2021 Final dividend of 1.35 cents per share was paid on 30 September 2021.

6. Review of operations

Over the course of the financial year ended 30 June 2022, the Company's net tangible assets decreased by $10,186,629 to $129,301,862 (2021: $139,488,491). The decrease principally reflects mark to market decreases in the market value of the Company's portfolio for the twelve-month period, and an increase in the fair value of TOP's investment in 20 Cashews Pty Ltd (20C).

TOP's five largest listed portfolio holdings MMA Offshore Ltd (MRM), Money3 Corporation Ltd (MNY), Austin Engineering Ltd (ANG), Southern Cross Electrical Engineering Ltd (SXE) and Consolidated Operations Group Ltd (COG) represent approximately 44% of total assets. Of the top 5, MRM, SXE, COG and ANG all closed stronger compared to 30 June 2021, whilst holdings in MNY and AMA Group Limited closed lower over the period. The decline in the NTA over the period was attributable, in part, to the poor outcomes on Palla Pharma and Murray River Organics, however, a net unrealised gain of $20.08 million was also recognised as a result in TOP's fair value determination of its unlisted investment in 20 Cashews Pty Ltd (20C), which holds an underlying investment in Australia Community Media (ACM) Group. The increase in fair value is predominately due to positive impacts from the ACM business transformation measures, the positive performance of media related investments, and investments made in media and technology related businesses over the last twelve months.

Cash and short-term deposits as at 30 June 2022 was $3.49 million (2021: $2.71 million). The net increase predominately reflects an increase in cash from operating activities of $2.64 million, payments made in relation to the Share buy-back totalling $1.83 million, dividends paid of $4.63 million, partially offset by net proceeds received from unlisted investments totalling $4.60 million.

During the year 3,433,583 shares have been bought back at a cost of $1.83 million with an average of 53.34 cents per share. (2021: 1,974,180 shares bought back for $1.01 million with an average of 51.21 cents per share)

During FY2022 the Company lodged change of interest of substantial holder notices for ST1, QFE, AS1, HUB, COG, SXE, DCG, MNY, SSM. The Company ceased to be a substantial holder for AMA.

In June 2022 the Company engaged Computershare to manage its registry services which had been previously managed by Boardroom. During the period, the Company appointed MarketEye to assist it with investor relations and marketing.

A series of TOP Investor Briefings were held over a Webinar throughout the financial year. Investor Briefing recordings can be viewed by clicking here.

7. Financial position

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

Net tangible asset backing per share	2022	2021
Net tangible assets	$129,301,862	$139,488,491
Shares on issue	194,663,916	198,097,499
Net tangible assets after tax per share	66.4 cents	70.4 cents

8. Prospects

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

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

9. Material business risks

The Company's risk management and compliance framework operated effectively throughout the financial year ensuring that the two main areas of risk that have been identified (investment risk and operational risk) were appropriately monitored and managed.

With an investment mandate with exposures to small to medium size capitalisation companies, TOP will always bear market risk as it invests its capital in assets that are not risk free.

10. Events subsequent to balance date

There were no events subsequent to balance date.

Director’s Report

11. 2022 Remuneration report (Audited)

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

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

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

(a) Remuneration of Directors

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

NON-EXECUTIVE DIRECTORS’ FEES

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

NON-EXECUTIVE CHAIRMAN’S FEES

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

RETIREMENT BENEFITS FOR DIRECTORS

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

OTHER BENEFITS (INCLUDING TERMINATION) AND INCENTIVES

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

(b) Remuneration of the Investment Manager

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

In respect of the year ended 30 June 2022, the Investment Manager was entitled to:

- a Base Fee of $2,182,060 (GST exclusive), being a Base Fee equal to 0.75% per half year of the gross asset value of the Company, payable half-yearly in arrears, calculated as at the last business day of the relevant half-year; and
- a Performance Fee of $Nil. The fee is the greater of zero and the amount calculated as 20% of the Increase Amount. The Increase Amount is the adjusted Net Asset Value for the current period less the Net Asset Value from the previous period and less a hurdle, equivalent to the value of any Base Fee paid or accrued. Performance fee entitlements are calculated on an annual basis, commencing on 1 July of each financial year. If there is no Increase Amount for a financial year, the shortfall is not carried forward and not deducted from any increase in future financial year(s) for the purposes of calculating future Performance Fees.

11. 2022 Remuneration report (Audited) continued

(c) Details of Remuneration

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

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

2021	Short term benefits		Post-employment benefits	Total ($)
	Fees ($)	Other ($)	Superannuation ($)	
Alex Waislitz	-	-	-	-
Ashok Jacob	50,000	-	4,750	54,750
Henry Lanzer[1]	54,750	-	-	54,750
Dr Gary Weiss	50,000	-	4,750	54,750
Total KMP remuneration	**154,750**	**-**	**9,500**	**164,250**

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

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

(d) Service Arrangements

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

ASHOK JACOB

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

HENRY LANZER

- Commenced 21 November 2013
- No term has been set unless the Director is not re-elected by shareholders of the Company
- Base annual fee of $55,000 (GST exclusive)

Director’s Report

11. 2022 Remuneration report (Audited) continued

(d) Service Arrangements continued

DR GARY WEISS

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

(e) Employment agreement

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

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

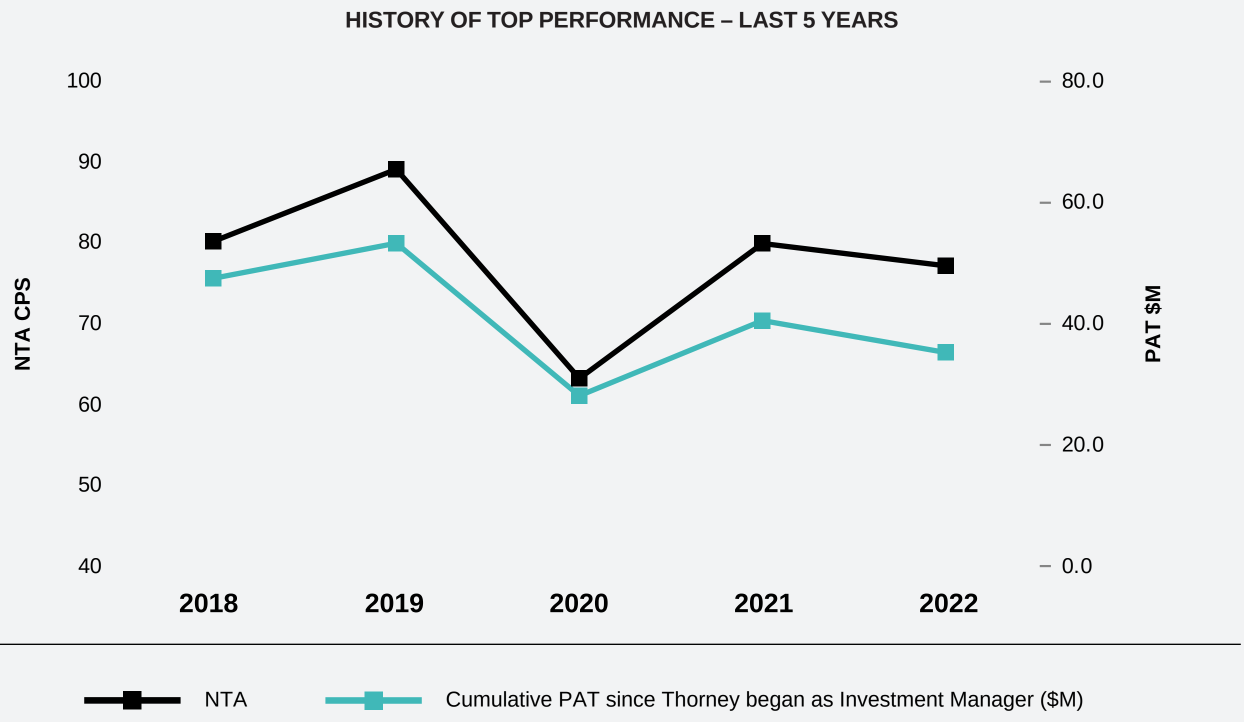
(f) History of TOP performance

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

As at 30 June	Earnings after tax (PAT) $	EPS (cents per share)	Share price (cents per share)	NTA (after tax) (cents per share)
2022	(3,723,305)	(1.89)	47.0	66.4
2021	22,527,361	11.3	54.5	70.4
2020	(34,917,472)	(17.2)	47.0	61.0
2019	12,045,578	5.9	67.0	80.1
2018	11,109,436	5.9	69.0	75.7

Earnings are for continuing operations only.

11. 2022 Remuneration report (Audited) continued



Thorney Management Services Pty Ltd (Investment Manager) assumed investment management responsibilities from 21 November 2013 pursuant to an Investment Management Agreement approved by shareholders at the 2013 Annual General Meeting.

(End of remuneration report).

Director’s Report

12. KMP relevant interests

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

	Balance 30 June 2020[1]	Additions/ (Disposals)[1]	Balance 30 June 2021[1]	Additions/ (Disposals)[1]	Balance 30 June 2022[1]
Directors					
Alex Waislitz[2]	60,160,052	-	60,160,052	-	60,160,052
Ashok Jacob	1,061,846	-	1,061,846	-	1,061,846
Henry Lanzer	125,700	-	125,700	-	125,700
Dr Gary Weiss	9,971	-	9,971	-	9,971
Other KMP					
Thorney Management Services Pty Ltd (TMS)[2]	60,160,052	-	60,160,052	-	60,160,052

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

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* (Cth) of changes in their relevant interests.

13. Board and committee meetings

The number of Board meetings, including meetings of Board Committees, held during the year ended 30 June 2022 and the number of those meetings attended by each Director is set out below:

	Board Meetings		Audit & Risk Committee	
	No. of meetings held while a Director	No. of meetings attended	No. of meetings held while a Director	No. of meetings attended
Alex Waislitz	6	6	3	3
Ashok Jacob	6	5	3[1]	2
Henry Lanzer	6	6	3	3
Gary Weiss	6	6	3[1]	2

[1] Whilst Mr Jacob and Dr Weiss are not formal members of the Audit and Risk Committee, they are invited to attend each meeting. Mr Jacob and Dr Weiss attended committee meetings during the year.

14. Environmental regulation

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

15. Indemnification and insurance of officers and auditor

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

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

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

16. Auditor's independence declaration

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

17. Non-audit services

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

There were no non-audit services performed by the Company's auditor, Ernst & Young, during the 2022 financial year.

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

On behalf of the Board

Alex Waislitz
Chairman

Melbourne, 25 August 2022

Auditor’s independence declaration

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

As lead auditor for the audit of the financial report of Thorney Opportunities Ltd for the financial year ended 30 June 2022, 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.

(c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

Tony Morse

Tony Morse
Partner
25 August 2022

Corporate Governance Statement

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

In the *2021 Corporate governance statement*, which is available on the Company's website here, we detail how the Group adheres to the ASX Corporate Governance Principles and Recommendations 4th Edition. Where there is non-adherence we disclose why TOP considers that it is necessary to take a different approach. The updated 2022 statement was approved by the Board on 2 June 2022.

Statement of comprehensive income

For the year ended 30 June 2022

	Note	June 2022 $	June 2021 $
Income			
Net changes in fair value of trading investments	3	**(10,473,106)**	36,556,039
Interest income	3	**9,273**	11,953
Dividend income	3	**7,486,257**	2,190,663
Other income	3	**-**	54,174
Total investment (loss) income	3	**(2,977,576)**	38,812,829
Expenses			
Management fees		**(2,236,612)**	(2,351,078)
Performance fees		**-**	(5,810,730)
Directors' fees		**(170,390)**	(169,725)
Finance costs		**(30,909)**	(264)
Fund administration and operational costs		**(123,054)**	(103,595)
Legal and professional fees		**(266,567)**	(191,648)
Other administrative expenses		**(100,655)**	(80,785)
Total expenses		**(2,928,187)**	(8,707,825)
(Loss) profit before income tax benefit (expense)		**(5,905,763)**	30,105,004
Income tax benefit (expense)	4	**2,182,458**	(7,577,643)
Total comprehensive (loss) gain for the year		**(3,723,305)**	22,527,361
Basic and diluted (loss) gain per share (cents)	13	**(1.89)**	11.31

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

Statement of financial position

As at 30 June 2022

	Note	June 2022 $	June 2021 $
ASSETS			
Current assets			
Cash and short-term deposits	6	**3,485,665**	2,710,406
Financial assets	7	**90,762,394**	125,310,737
Receivables	9	**812,771**	1,005,613
Prepayments		**34,477**	25,116
Total current assets		**95,095,307**	129,051,872
Non-current assets			
Financial assets	7	**37,407,130**	22,314,588
Deferred tax assets	4	**-**	-
Total non-current assets		**37,407,130**	22,314,588
TOTAL ASSETS		**132,502,437**	151,366,460
LIABILITIES			
Current liabilities			
Financial liabilities	7	**-**	26,388
Payables and accruals	10	**1,111,946**	7,580,494
Total current liabilities		**1,111,946**	7,606,882
Non-current liabilities			
Deferred tax liabilities	4	**2,088,629**	4,271,087
Total non-current liabilities		**2,088,629**	4,271,087
TOTAL LIABILITIES		**3,200,575**	11,877,969
NET ASSETS		**129,301,862**	139,488,491
EQUITY			
Issued capital	11	**100,524,637**	102,356,034
Reserve	12	**153,530,462**	135,763,063
Accumulated losses		**(124,753,237)**	(98,630,606)
TOTAL EQUITY		**129,301,862**	139,488,491

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

Statement of changes in equity

For the year ended 30 June 2022

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

For the year ended 30 June 2021

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020	103,369,689	108,890,443	(90,166,243)	122,093,889
Profit after tax for the year	-	-	22,527,361	22,527,361
Total comprehensive gain for the year	-	-	22,527,361	22,527,361
Transfer to Profits Reserve	-	30,991,724	(30,991,724)	-
Transactions with shareholders:				
Dividends paid	-	(4,119,104)	-	(4,119,104)
Share Buy-back	(1,010,905)	-	-	(1,010,905)
Cost of Share buy-back	(2,750)	-	-	(2,750)
Total transactions with shareholders	(1,013,655)	(4,119,104)	-	(5,132,759)
Balance as at 30 June 2021	102,356,034	135,763,063	(98,630,606)	139,488,491

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

Statement of cash flows

For the year ended 30 June 2022

	Note	June 2022 $	June 2021 $
Cash from operating activities:			
Interest received		**9,273**	11,953
Dividends received		**7,486,257**	2,293,118
Proceeds from sale of trading investments		**19,108,869**	37,592,916
Payments for trading investments		**(14,752,561)**	(36,181,316)
Payments to suppliers and employees		**(9,182,344)**	(3,826,567)
Finance costs		**(30,909)**	(264)
Other income received		**-**	54,174
Net cash provided by / (used in) operating activities	6	**2,638,585**	(55,986)
Cash flows from investing activities:			
Proceeds from repayment of investments		**5,250,000**	1,750,000
Payment for long-term investments		**(650,002)**	(582,501)
Net cash provided by investing activity		**4,599,998**	1,167,499
Cash flows from financing activities:			
Payment for Share Buy-back costs		**-**	(2,750)
Payment for Share Buy-back		**(1,831,397)**	(1,010,905)
Dividends paid		**(4,631,927)**	(3,949,007)
Net cash (used in) financing activities		**(6,463,324)**	(4,962,662)
Net increase / (decrease) in cash held		**775,259**	(3,851,149)
Cash at the beginning of the year		**2,710,406**	6,561,555
Cash at the end of the year		**3,485,665**	2,710,406

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

Notes to the Financial Statements

1. Corporate information

The financial statements of Thorney Opportunities Ltd and its subsidiary (collectively TOP or the Company) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 25 August 2022.

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

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

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

2.1 Summary of accounting policies

(a) Basis of preparation

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

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

COVID-19 pandemic – impact on value of investment
The global COVID-19 pandemic continues to create uncertainty in the economic environment within which the Company operates. While the operations and controls of the Company have not been adversely impacted by the pandemic, there are impacts being observed on the Company's investment portfolio.

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

Changes in Accounting Standards
The Company has adopted a number of new and amended Australian Accounting Standards and AASB interpretations for the reporting period, including the following list:

AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts. This standard amends AASB 4 Insurance Contracts (August 2015) and AASB 17 Insurance Contracts (July 2017). The Standard amends AASB 17 to: reduce costs of applying AASB 17 by simplifying some of its requirements, make an entity's financial performance relating to insurance easier to explain, and ease transition to AASB 17 deferring effective date on 1 January 2023 instead of 1 January 2021. The amendments to AASB 4 permit eligible insurers to continue to apply AASB 139 *Financial Instruments: Recognition and Measurement* until they are required to apply AASB 9 Financial Instruments alongside AASB 17.

This standard applies from 1 January 2021 and has not had an impact on the Company as the Company currently does not have lease arrangements where the Company acts as lessee.

AASB 2020-8 Amendments to AAS's – Interest Rate Benchmark Reform – Phase 2. This standard focuses on issues that might affect financial reporting upon replacement of existing interest rate benchmarks, and amends the requirements in AASB 9 Financial Instruments, AASB 139 Financial Instruments: Recognition and Measurement, AASB 7 Financial Instruments: Disclosures, AASB 4 Insurance Contracts and AASB 16 Leases.

This standard applies from 1 July 2021 and has not had an impact on the Company.

Standards issued that might have an impact but not yet effective

The Company 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 2022.

AASB 17 Insurance Contracts - This standard replaces AASB 4, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for for-profit entities. AASB 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with discretionary participation features. This standard is effective on or after 1 January and early adoption is permitted. Implementation of this standard is expected not to have any impact on the Company and its financial reporting disclosures.

2.1 Summary of accounting policies continued

AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies – The standard amends *AASB 101 Presentation of Financial Statements* require disclosure of material accounting policy information, instead of significant accounting policies. This standard is effective on 1 January 2023 and the Company aims to complete an assessment of all accounting policy to assess required disclosure as per the new Standard. The company does not expect any significant impact to disclosure.

AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction This Standard amends AASB 112 to clarify the accounting for deferred tax on transactions that give rise to equal taxable and deductible temporary differences. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This may be the case for transactions such as leases and decommissioning, restoration and similar obligations. Entities are required to recognise deferred tax on such transactions. The Standard amends AASB 1 to require deferred tax related to leases and decommissioning, restoration and similar obligations to be recognised by first-time adopters at the date of transition to Australian Accounting Standards, despite the exemption set out in AASB 112. This standard is effective on 1 January 2023, any amendments implemented are not expected to have a significant impact on the Company.

AASB 2022-1 Amendments to AASs – Initial Application of AASB 17 and AASB 9 –Comparative Information - This Standard amends AASB 17 to add a transition option referred to as 'a classification overlay' relating to comparative information about financial assets presented on initial application of AASB 17 and AASB 9 Financial Instruments at the same time. The amendments relate to financial assets for which comparative information presented on initial application of AASB 17 and AASB 9 has not been restated for AASB 9. Applying the transition option would permit an entity to present comparative information about such a financial asset as if the classification and measurement requirements of AASB 9 had been applied to that financial asset. This enables insurers to reduce potentially significant accounting mismatches between financial assets and insurance contract liabilities in the comparative period (or periods), to improve the usefulness of the comparative information in the general purpose financial statements. This standard is effective on 1 January 2023, any amendments implemented are not expected to have a significant impact on the Company.

AASB 2014-10 Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - The amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. This standard is effective on 1 January 2025.

(b) Basis of consolidation

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

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

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

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

2.2 Accounting judgements and estimates

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

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

Notes to the Financial Statements

2.2 Accounting judgements and estimates continued

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

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

2.3 Summary of significant accounting policies

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

a) Financial instruments

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

Financial assets and liabilities at fair value through profit or loss
The Company has two discrete portfolios of securities, the long-term portfolio and the trading portfolio.

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

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

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

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

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

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

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

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

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

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

2.3 Summary of significant accounting policies continued

a) Financial instruments continued

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

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

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

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

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

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

b) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

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

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

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

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

Notes to the Financial Statements

2.3 Summary of significant accounting policies continued

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

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

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

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

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

h) Taxes

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

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

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

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

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

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

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

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

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

2.3 Summary of significant accounting policies continued

k) Goods and services tax (GST)

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

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 Company from the ATO are recognised as a receivable in the Statement of financial position.

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

3. Total investment income

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

	2022 $	2021 $
Net (loss) gain of trading investments[1]	**(6,478,893)**	9,178,782
Gain (loss) that had been unrealised in prior period for trading investments which were realised in the reporting period[2]	**5,372,200**	6,793,438
Unrealised gain/(loss) for change in fair value of:		
- Trading investments	**(29,058,953)**	3,507,986
- Long term investments[3]	**19,692,540**	17,075,833
Unrealised (loss) gain for change in fair value	**(3,994,213)**	27,377,257
Net changes in fair value of investments	**(10,473,106)**	36,556,039
Interest income	**9,273**	11,953
Dividend income	**7,486,257**	2,190,663
Other income	**-**	54,174
Total investment income	**(2,977,576)**	38,812,829

[1] Net realised gains of trading investments is the difference between the selling price and the cost of the investments sold during the reporting period.
[2] Gain (loss) that had been unrealised in prior period for trading investments which were realised in the reporting period, represents the 30 June 2022 unrealised fair value adjustments of investments sold in the reporting period.
[3] Includes a $20.1 million fair value gain in 20 Cashews Pty Ltd (Jun21: Gain of $16.9 million).

Notes to the Financial Statements

4. Income tax

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

	June 2022	June 2021
Current tax		
Current income tax (benefit) / expense	**(5,053,002)**	498,754
Deferred tax		
Origination and reversal of temporary differences	**2,870,544**	7,078,889
Income tax (benefit) / expense recognised in the Statement of comprehensive income	**(2,182,458)**	7,577,643
(Loss) / profit before income tax benefit (expense)	**(5,905,763)**	30,105,004
Prima facie tax benefit (expense) on loss (gain) from ordinary activities before income tax at 25% (2021: 26%)	**1,476,441**	(7,827,301)
Deferred income tax benefit (expense)		
- Imputation credits converted to losses	**741,587**	921,646
- Imputation credits on dividends received	**(185,397)**	(239,628)
- Prior period adjustment	**(56,384)**	(286,650)
- Adjustment for change in corporate tax rate	**(362,490)**	(1,437,673)
- Adjustment for trading stock and long-term investments	**570,209**	1,299,195
- Other adjustment	**(1,508)**	(7,232)
Income tax benefit (expense) recognised in the Statement of comprehensive income	**2,182,458**	(7,577,643)

	June 2022	June 2021
Deferred tax		
Financial assets	**(7,155,692)**	(9,644,193)
Long term financial assets	**(8,917,218)**	(4,147,217)
Business establishment costs	**780**	25,782
Other	**18,081**	13,421
Losses available for offsetting against future taxable income	**13,965,420**	9,481,120
Net deferred tax (liability)	**(2,088,629)**	(4,271,087)

At 30 June 2022, the Company has estimated gross revenue tax losses of $55,861,680 (2021: $36,465,846) that are available to offset against future taxable revenue profits, subject to continuing to meet relevant statutory tests and have been recognised as a deferred tax asset.

In assessing the probability of the future realisation of carry forward tax losses and the extent to which a deferred tax asset for carry forward losses is to be recognised, the Company has considered market conditions existing at 30 June 2022 and has considered future economic uncertainties in the Company's forecast.

At 30 June 2022 the Company did not exceed the ATO Base Rate Entity (BRE) Aggregate turnover threshold of $50 million, therefore Company applies a 25% tax rate in the current financial year (2021: 26%).

At 30 June 2022, the Company has estimated unused gross capital tax losses of $30,714,821 (2021: $30,714,821) for which no deferred tax asset has been recognised.

5. Dividends

	June 2022	June 2021
(a) Final Dividend FY 2022 not recognised at year end		
Since the end of the year, the Directors have declared a 1.40 cents per share (fully franked) dividend which has not been recognised as a liability at the end of the year (2021: 1.35 cents per share)	**2,725,295**	2,674,316
(b) Dividend franking account		
Balance at 1 July	**719,494**	1,506,812
Franking credits received on dividends from investments	**3,400,290**	980,984
Franked dividends paid during the period	**(1,544,449)**	(1,768,302)
Balance at 30 June	**2,575,335**	719,494
Subsequent to reporting period, the franking account will reduce by the dividend proposed above	**908,432**	939,625
	1,666,903	(220,131)

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

6. Cash and short-term deposits

	June 2022 $	June 2021 $
Cash at bank	**3,485,665**	2,710,406
Total cash	**3,485,665**	2,710,406

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

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

	June 2022 $	June 2021 $
Total comprehensive (loss) gain for the year	**(3,723,305)**	22,527,361
Adjustments for non-cash items:		
Unrealised component of change in fair value of investments	**3,994,213**	(27,377,257)
Net gain on disposal of investments	**-**	-
Changes in Assets & Liabilities:		
Decrease / (Increase) in receivables	**192,842**	(899,073)
Decrease / (Increase) in financial assets	**10,881,784**	(7,521,918)
Decrease / (Increase) in other assets	**(9,361)**	(12,099)
(Decrease) / Increase in creditors & accrued expenses	**(6,468,547)**	5,602,774
(Decrease) / Increase in other financial liabilities	**(46,583)**	46,583
(Decrease) / Increase in deferred tax liabilities	**(2,182,458)**	7,577,643
Net cash provided by / (used in) operating activities	**2,638,585**	(55,986)

Notes to the Financial Statements

7. Fair value measurement

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

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

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

Listed investments trading in an active market are valued based upon quoted market prices at each balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value of listed equities that are actively trading in an active market at 30 June 2022 are classified as Level 1.

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

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

		June 2022	June 2021
Assets measured at fair value			
Level 1:	Listed equities	**90,762,394**	125,310,737
Level 3:	Long-term financial assets[1]	**37,407,130**	22,314,588
Total financial assets		**128,169,524**	147,625,325
Total current		**90,762,394**	125,310,737
Total non-current		**37,407,130**	22,314,588
Liabilities measured at fair value			
Level 1:	Exchange traded options	**-**	26,388
Total financial liabilities		**-**	26,388

Key inputs and sensitivities

[1]The largest long-term financial asset is represented by the 25% ownership interest in 20 Cashews Pty Ltd (20C) which holds an underlying investment in the Australian Community Media Group (ACM) (incorporated in Australia). The fair value of TOP's investment in 20C is represented by the relative fair values of ACM (57%) and surplus real estate assets (27%) and investment in Independent Media Publishers Pty Ltd (IMP) 16%.

Subsequent to year end IMP has been renamed View Media Group, a real estate digital media and agent services business comprising a suite of proptech platforms offering consumer and business solutions in Australia's real estate transaction market. Prior to 30 June 2022, Seven West Media through its subsidiary, Seven West Ventures, committed an investment of cash and media services in View Media Group for which it will receive an equity interest. The funds received from Seven West Media will be utilised by View Media Group to invest in and grow the company. Whilst the negotiations between Seven West Media and View Media Group are anticipated to be finalised in the coming months, as at the date of these accounts, no equity had been issued. The investment by Seven West Media has been taken into account in determining the fair value of IMP.

The value of View Media Group is expected to vary subject to the completion of these identified acquisitions.

The fair value of ACM is determined by a discounted cash flow model (DCF) of the ACM operating business at 30 June 2022.

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

7. Fair value measurement *continued*

Key inputs and sensitivities *continued*

At reporting date, the key unobservable inputs used by the Company within its DCF valuation in determining the fair value of the ACM business, together with a quantitative sensitivity analysis as at 30 June 2022 is summarised below:

Unobservable inputs	Description	Sensitivity of the input to the fair value calculation	
EBITDA margin	The EBITDA margin represents the ACM's earnings before interest, tax, depreciation, and amortisation as a percentage of the ACM's total revenue. EBITDA margin of between 13-15% are applied within the forecast period.	*1% increase* $3.3 million	*1% decrease* ($3.3 million)
EBITDA	The EBITDA represents the ACM's earnings before interest, tax, depreciation, and amortisation.	*10% increase* $4.6 million	*10% decrease* ($4.6 million)
Long-term growth rate	A long-term growth rate of 0% is used to extrapolate the cash flows of the business beyond the five-year forecast period.	*1% increase* $1.24 million	*1% decrease* ($1.08 million)
Weighted average cost of capital (WACC)	The WACC (post-tax) of 15% (FY21: 15%) is used to convert the forecast cash flow into present value terms. The WACC considers both the cost of debt and equity. Business-specific risk are incorporated by applying beta factors evaluated based on publicly available market data.	*1% increase* ($1.8million)	*1% decrease* $2.0 million

Valuation of Level 3 financial instruments
The responsibility for the valuation of unlisted equity and debt instruments is delegated by the Board of Directors of the Group to the investment sub-committee. Review of investment valuations are performed on a regular basis and reviewed by the investment sub-committee.

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

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

Notes to the Financial Statements

7. Fair value measurement continued

Level 3 transfers

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

Financial assets:	**Financial assets (20C)**	**Unlisted equities**	**Loan notes**	**Total**
Balance at 1 July	**21,500,000**	**814,588**	**-**	**22,314,588**
Unrealised gain (loss) recognised in Statement of comprehensive income	**20,077,950**	**(385,410)**	**-**	**19,692,540**
Redemption of convertible notes[1]	**(5,250,000)**	**-**	**-**	**(5,250,000)**
Long-term financial asset additions	**-**	**600,002**	**50,000**	**650,002**
Balance at 30 June 2022	**36,327,950**	**1,029,180**	**50,000**	**37,407,130**
Balance at 1 July	6,375,000	-	-	6,375,000
Unrealised gain recognised in Statement of comprehensive income	16,875,000	232,087	-	17,107,087
Redemption of convertible notes[1]	(1,750,000)	-	-	(1,750,000)
Long-term financial asset additions	-	582,501	-	582,501
Balance at 30 June 2021	21,500,000	814,588	-	22,314,588

8. Financial assets

	June 2022 $	June 2021 $
Financial assets at fair value through profit or loss		
Listed equities[1] and options	**90,762,394**	125,310,737
Unlisted equities, notes and warrants[2]	**37,407,130**	22,314,588
Total financial assets	**128,169,524**	147,625,325
Total current	**90,762,394**	125,310,737
Total non-current	**37,407,130**	22,314,588

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

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

9. Receivables

	June 2022 $	June 2021 $
Outstanding settlement	**600,000**	1,004,943
Sundry debtor	**212,602**	-
GST	**169**	670
Total receivables	**812,771**	1,005,613

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

10. Payables

	June 2022 $	June 2021 $
Management fee accrual	**1,024,271**	1,170,094
Performance fee accrual	**-**	5,810,730
Dividend payable	**-**	223,286
Outstanding settlements	**-**	281,990
Sundry creditors and accruals	**87,675**	94,394
Total payables	**1,111,946**	7,580,494

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

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

The carrying value of payables approximates fair value.

11. Issued capital

	2022 Number of shares	2021 Number of shares	2022 $	2021 $
(a) Ordinary shares				
Balance at 1 July	**198,097,499**	200,071,679	**102,356,034**	103,369,689
Ordinary shares issued:				
Share buy-back	**(3,433,583)**	(1,974,180)	**(1,831,397)**	(1,010,905)
Costs of buy-back	**-**	-	**-**	(2,750)
Total issued and authorised capital	**194,663,916**	198,097,499	**100,524,637**	102,356,034

(i) Ordinary shares
Ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Company in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

(ii) Capital Management
The Board manages and regularly reviews the Company's capital, ensuring that it is deployed in the most efficient manner in order to maximise shareholder value. This involves the Board making decisions in relation to the level of distributions, share buy-backs and other capital management initiatives. The Company is not currently subject to any capital requirements imposed by an external party.

(iii) Share buy-back
The Company continued its buy-back scheme purchasing 3,433,583 shares valued at $1,831,397 for the year. Total buy-backs since the Company's initial announcement on 19 December 2019 is 8,955,314 shares valued at $5,054,316.

12. Reserve

	2022 $	2021 $
Profits reserve	**153,530,462**	135,763,063
Movement in profits reserve:		
Balance at 1 July	**135,763,063**	108,890,443
Transfers from retained earnings	**22,399,326**	30,991,724
Dividends paid	**(4,631,927)**	(4,119,104)
Balance at 30 June	**153,530,462**	135,763,063

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

Notes to the Financial Statements

13. Earnings per share

	2022	2021
Basic and diluted earnings/(loss) per share (cents)	**(1.89)**	11.31
Earnings/(loss) used in calculating basic and diluted earnings per share ($)	**(3,723,305)**	22,527,361

	2022 Number of Shares	2021 Number of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	**197,142,342**	199,180,997

14. Financial reporting by segments

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

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

15. Auditor's remuneration

	2022 $	2021 $
Remuneration of the auditor for:		
Audit and review of financial reports	**74,250**	67,500

16. Financial risk management

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

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

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

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

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

The Company invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. This is except for the unlisted investments, which represent 29.2% (2021: 15%) of total investments which would require a large transaction to take place to realise its investment in its largest unlisted investment 20C. The lead time for such transaction to take place may be significant.

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

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

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

At the reporting date, the exposure to listed and unlisted equity securities at fair value was $128,169,524 (2021: $147,625,325). A decrease of 10% in share value of securities held could have an impact of approximately $12,816,952 (2021: $14,762,532) on the income or equity attributable to the Company. An increase in 10% in share value of securities held would have a similar favourable impact on income and equity.

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

Notes to the Financial Statements

17. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the year ended 30 June 2022:

Services from and reimbursements to related parties[1]	**2022 $**	2021 $
Entities with significant influence over the Company:		
Thorney Management Services Pty Ltd	**2,182,060**	7,962,739
TIGA Trading Pty Ltd	**52,000**	52,000
Related parties of key management personnel of the Company:		
Arnold Bloch Leibler	**66,062**	57,661

[1] All related party transaction amounts are shown exclusive of GST

The Company has entered into an investment management agreement with Thorney Management Services Pty Ltd (TMS) for a period of 10 years and expiring 21 November 2023.

Under this agreement TMS is entitled to a base fee and a performance fee. For the year ending 30 June 2022 a base fee of $2,182,060 (2021: $2,293,734) and a performance fee of Nil (2021: $5,669,005) was paid or payable to TMS. The Company must pay TMS within 60 days of receiving an invoice.

TIGA Trading Pty Ltd, a related entity of TMS, employs personnel to provide company secretarial and financial accounts preparation services to Thorney Opportunities Ltd. These services are provided on commercial terms and total $52,000 for the 2022 financial year (2021: $52,000).

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

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

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

During the year, the Company engaged Arnold Bloch Leibler, a legal firm of which Henry Lanzer is the managing partner, to provide legal advice totalling $11,062 (2021: $2,911).

In accordance with the terms of Mr Lanzer's appointment, a payment of $55,000 was paid or payable to Arnold Bloch Leibler as remuneration for his role as a Director of the Company (2021: $54,750).
Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

Key Management Personnel received the following remuneration amounts:

	2022 $	2021 $
Short-term benefits	**155,000**	154,750
Post-employment benefits	**10,000**	9,500
Total remuneration	**165,000**	164,250

18. Contingent liabilities and commitments

The Company has no contingent liabilities or commitments as at 30 June 2022.

19. Events subsequent to balance date

There were no events subsequent to balance date.

20. Parent entity information

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

21. Group information

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

Name of entity	Country of incorporation	Ownership	
		2022	2021
Subsidiary			
87 Truca Pty Ltd	Australia	**100%**	100%

Director’s declaration

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

1. In the opinion of the Directors:

(a) the financial statements and notes of Thorney Opportunities Ltd for the financial year ended 30 June 2022 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the entity’s financial position as at 30 June 2022 and of its performance for the year ended on that date;

(ii) complying with Accounting Standards and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.1; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board,

Alex Waislitz
Chairman

Melbourne, 25 August 2022

Independent audit report

Building a better working world

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Thorney Opportunities Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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Fair value measurement and existence of investments

Why significant	How our audit addressed the key audit matter

The Company invests in listed and unlisted financial assets valued at $128.2 million at 30 June 2022, which represents 97% of the total assets of the Company.
 	
The investment portfolio includes $90.8 million of listed equities and $37.4 million equity investments in unlisted companies.
 	
As outlined in Note 7 to the financial report, these assets are carried at fair value through profit and loss. Fair value is assessed based on quoted (unadjusted) prices in active markets at reporting date for listed equities. Fair value is assessed based on a fair value less cost to sell approach using a discounted cash flow model for the unlisted equity investment. The assumptions used in the discounted cash flow model require judgement, based on conditions existing and emerging at 30 June 2022.
 	
The fair value measurement and existence of investments is a key audit matter because it represents a principal element of the Company's total assets due to its size and the judgement involved in measuring the unlisted investment.
	Our audit procedures included the following:
	► For the listed equity investments:
	  ► Obtained and considered the independent assurance report that describes the effectiveness of the operational processes and controls of the Company's asset custodian.
	  ► Agreed the quantity of all listed equity investments to the custodial statement.
	  ► Agreed the fair value of all equity investments to market closing prices at reporting date.
	► With the assistance of our valuation and modeling specialists, for the equity investment in an unlisted company we:
	  ► Evaluated the reasonableness of key assumptions applied in the discounted cash flow model.
	  ► Assessed the key inputs such as discount rates, forecast cash flows and terminal growth rate and agreed these inputs to supporting documents, where applicable.
	  ► Tested the mathematical accuracy of the discounted cashflow model.
	  ► Benchmarked market multiples to observable external market data from comparable entities.
	► Assessed the adequacy of the disclosures included in Note 7 to the financial report.

Building a better working world

Investment management and performance fees

Why significant	How our audit addressed the key audit matter
The Company pays its Investment Manager, Thorney Management Services Pty Ltd (TMS), a related party fees as stipulated in the Investment Management Agreement (IMA). There is a base management fee of 0.75% of gross assets and a performance fee of 20% of the increase in net asset value net of base management fee for the year. The base management fee is calculated half yearly while the performance fee is calculated on an annual basis. For the year ended 30 June 2022, a base management fee of $2.2 million was recognised. For the year ended 30 June 2022 the target for performance fee was not met hence no performance fee was recognised. Investment management and performance fees is a key audit matter because they are of interest to key stakeholders as they represent significant expenses that reduce the net tangible assets of the Company and are paid to a related party.	Our audit procedures included the following: ► Determined whether the calculation of the base management fee and performance fee expenses were in accordance with the IMA. ► Agreed key inputs used in the base management fee and performance fee calculations, including gross assets, in the case of base management fees, and the net asset increase, in the case of performance fees, to the statement of financial position. ► Recalculated the base management fee and performance fee and compared the recalculated amounts to the expenses recognised in the statement of comprehensive income.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Building a better working world

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

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

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

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Thorney Opportunities Ltd for the year ended 30 June 2022, 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

Ernst & Young

Tony Morse

Tony Morse
Partner
Melbourne
25 August 2022

Shareholder information

As at 17 August 2022

Voting rights

All ordinary shares carry one vote per share without restriction.

Distribution of shareholders

Category	Ordinary Shareholders
1 – 1,000 shares	**336**
1001 – 5,000 shares	**389**
5001 – 10,000 shares	**222**
10,001 – 100,000 shares	**794**
100,001 or more shares	**222**
Total number of holders	**1,963**
Number of shareholders holding less than a marketable parcel	**282**

20 largest shareholders of ordinary shares

Name	Number of shares	% of issued capital
THORNEY HOLDINGS PROPRIETARY LIMITED	52,684,531	27.11
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	21,000,000	10.81
TIGA TRADING PTY LTD	6,570,159	3.38
ELPHINSTONE HOLDINGS PTY LTD	5,780,000	2.97
HUONCAN SUPER PTY LTD <HUONCAN SUPER FUND A/C>	4,086,129	2.10
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	2,600,000	1.34
CASTLE FARMS PTY LTD	2,078,140	1.07
HUON CANNING CO PTY LTD	2,001,004	1.03
MRS NOLA ISABEL CRIDDLE <CRIDDLE INVESTMENT FUND A/C>	1,750,000	0.90
LANGBURGH PTY LTD <MARC BESEN FAMILY TR A/C>	1,615,925	0.83
TAMIT NOMINEES PTY LTD <THE ITESCU FAMILY A/C>	1,352,025	0.70
AUSTIN SUPERANNUATION PTY LTD <THE BRIAN AUSTIN S/F A/C>	1,344,068	0.69
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,122,653	0.58
TAKITA EXPLORATION PTY LIMITED	1,120,000	0.58
BLACKCAT HOLDINGS PTY LTD	1,055,000	0.54
CITICORP NOMINEES PTY LIMITED	1,049,729	0.54
DENATA PTY LTD <HAYMET S/F A/C>	900,000	0.46
TRONES INVESTMENTS PTY LTD <NYLOX DISTRIBUTORS S/F A/C>	870,833	0.45
G W HOLDINGS PTY LTD <EDWINA A/C>	782,705	0.40
BERNE NO 132 NOMINEES PTY LTD <W 1253672 A/C>	776,131	0.40

Substantial shareholders

Name	Number of shares	Voting Power %
THORNEY HOLDINGS PROPRIETARY LIMITED (and associates)	**60,160,052**	30.96%
RUBI HOLDINGS PTY LTD	**21,000,000**	10.81%

List of investments

	Fair value as at 30 June 2022 $
MMA Offshore Ltd	16,296,000
Money3 Corporation Ltd	15,262,520
Austin Engineering Ltd	11,195,487
Southern Cross Electrical Engineering Ltd	8,658,250
Consolidated Operations Group Ltd	6,795,457
Service Stream Ltd	6,070,541
Ardent Leisure Group	5,600,000
AMA Group Ltd	3,690,302
Retail Food Group Ltd	3,571,768
EarlyPay Ltd (was CML Group Ltd)	3,539,212
Cooper Energy Ltd	3,202,147
Decmil Group Limited	2,060,072
Maggie Beer Holdings Ltd	1,187,047
Avada Group Ltd	1,147,819
Plenti Group Ltd	738,037
QuickFee Ltd	638,725
Spirit Telecom	477,000
Tinybeans Group Ltd	367,430
iSelect Ltd	262,553
Mesoblast Ltd $2.88 warrants exp 15 Mar 2028	5,754
HUB24 Ltd	2,027
Total listed investments	**90,768,148**
20 Cashews Pty Ltd	36,327,950
Whizz Technologies Pty Ltd	473,424
Mitchcap Pty Ltd	600,002
Total unlisted investments	**37,401,376**
Total investments	**128,169,524**

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Corporate Directory

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

ASX Code:	TOP
Security:	Thorney Opportunities Ltd fully paid ordinary shares
Directors:	Alex Waislitz, Chairman Ashok Jacob Henry D. Lanzer AM Dr Gary H. Weiss AM
Secretary:	Craig Smith
Country of incorporation:	Australia
Registered office:	Level 39, 55 Collins Street Melbourne Vic 3000
Contact details:	Level 39, 55 Collins Street Melbourne Vic 3000 T: + 613 9921 7116 F: + 613 9921 7100 E: contact@thorney.com.au W: www.thorney.com.au/thorney-opportunities/
Investment Manager:	Thorney Management Services Pty Ltd Level 39, 55 Collins Street Melbourne Vic 3000 AFSL: 444369
Auditor:	Ernst & Young 8 Exhibition Street Melbourne Vic 3000
Solicitors:	Arnold Bloch Leibler 333 Collins Street Melbourne Vic 3000
Share Registry:	Computershare Yarra Falls, 452 Johnston Street, Abbotsford VIC 3067 T: + 613 9415 5000 F: + 613 9473 2500 W: www.computershare.com/au For all shareholder related enquiries please contact the share registry.
Annual General Meeting (AGM):	When: Monday 14 November 2022[1] Where: TOP is planning to hold a Virtual 2022 Annual General Meeting[1] [1] The Company will advise full meeting details to all shareholders early October 2022.

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THORNEY

OPPORTUNITIES

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