

# Thorney Opportunities Ltd

ABN 41 080 167 264

## Appendix 4D and 2024 Half-Year Financial Statements

# THORNEY OPPORTUNITIES LTD

ABN 41 080 167 264

## APPENDIX 4D (Listing Rule 4.2A3)

### RESULTS FOR ANNOUNCEMENT TO THE MARKET (All comparisons to half-year ended 31 December 2022)

	\$'000	Movement \$'000	Up/ Down	Movement %
Income from ordinary activities	23,968	7,253	Up	43%
Profit before tax for the year	18,877	6,224	Up	49%
Profit after tax for the year	14,871	4,757	Up	47%

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2024 Interim dividend per share	1.05	1.05	25.0%
2023 Final dividend per share	1.45	1.45	25.0%
2023 Interim dividend per share	1.05	1.05	25.0%

#### 2024 Interim dividend dates

Ex-dividend date	13-Mar-24
Record date	14-Mar-24
Interim dividend payment date	29-Mar-24

The Company's Dividend Reinvestment Plan (DRP) will not apply to the 2024 Interim dividend.

	31-Dec-23	30-Jun-23	31-Dec-22
Net tangible asset backing per ordinary share	76.5 cents	70.0 cents	70.5 cents

This report should be read in conjunction with the *Thorney Opportunities Ltd Annual Report 2023*.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the financial statements for the half-year ended 31 December 2023.

This report is based on the financial statements for the half-year ended 31 December 2023 which have been reviewed by Ernst & Young.

# Company particulars

**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.

<b>ASX Code:</b>	TOP
<b>Security:</b>	Thorney Opportunities Ltd fully paid ordinary shares
<b>Directors:</b>	Alex Waislitz OAM, Chairman Henry Lanzer AM Dr Gary Weiss AM
<b>Secretary:</b>	Craig Smith
<b>Country of incorporation</b>	Australia
<b>Registered office:</b>	Level 45, 55 Collins Street Melbourne Vic 3000
<b>Contact details:</b>	Level 45, 55 Collins Street Melbourne Vic 3000 T: + 613 9921 7116 F: + 613 9921 7100 E: <a href="mailto:craig.smith@thorney.com.au">craig.smith@thorney.com.au</a> W: <a href="http://www.thorneyopportunities.com.au">www.thorneyopportunities.com.au</a>
<b>Investment Manager:</b>	Thorney Management Services Pty Ltd Level 45, 55 Collins Street Melbourne Vic 3000 AFSL: 444369
<b>Auditor:</b>	Ernst & Young 8 Exhibition Street Melbourne Vic 3000
<b>Lawyers:</b>	Arnold Bloch Leibler Level 21, 333 Collins Street Melbourne Vic 3000
<b>Share Registry:</b>	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street, Abbotsford T: + 613 9415 5000 F: + 613 9473 2500 W: <a href="http://www.computershare.com.au">www.computershare.com.au</a> For all shareholder related enquiries please contact the share registry.

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# Chairman's letter

Dear fellow TOP shareholder,

I am pleased to report that the TOP investment portfolio continued to perform strongly over the half year to 31 December 2023.

The portfolio finished the half year up 9.3%, outperforming the S&P Small Ordinaries Accumulation Index which increased 6.4%. This represents an outperformance of 2.9%.

Meanwhile, TOP's NTA per share (before tax) increased 9.2% compared to 1H FY2023 and the NTA per share (after tax) increased 8.5% over the prior corresponding period.

The Directors have declared an interim dividend of 1.05 cents per share, fully franked, in line with the interim dividend in the prior corresponding period.

TOP's solid performance was largely driven by portfolio holdings in key infrastructure and resource services companies.

One example of TOP's successful investment approach is MMA Offshore Limited (ASX.MRM). MRM remains a leading example of TOP's medium-long-term investment approach which includes, where necessary, TOP supporting the appropriate reconstitution of the Board and management, having a preparedness to act as a key participant in any capital raisings and demonstrating a level of patience for value to manifest. In the six months ended 31 December 2023, all shareholders in MRM, including TOP, have been significant beneficiaries of the market's upward revaluation of the company.

Whilst TOP has taken profits in MRM at various stages during the period we believe the MRM journey is not complete. We continue to see upside potential for the company over the medium to long-term. It remains one of TOP's core holdings.

Another successful example of TOP's rigorous investment approach is its key holding in Austin Engineering Limited (ASX.ANG). ANG performed well operationally during the period and with the market rewarding the improving earnings outlook, TOP's long-term support of the company has been justified.

We believe ANG is well positioned to deliver strong earnings performance across the remainder of FY2024 and beyond due to its leverage to the resources markets, expanded capacity and product offering, operational efficiencies and a strong order book.

Southern Cross Electrical Engineering Limited (ASX.SXE) has also been a consistent performer during the period. We remain optimistic about the outlook for the Company given its revenue diversification, strong order book following the Company's recent success in winning a number of new contracts as well as its extensive potential contract pipeline.

TOP's largest portfolio investment is its 25% interest in 20 Cashews Pty Ltd. 20 Cashews owns 100% of Australian Community Media (ACM), Australia's largest regional newspaper company, and approximately 30% of View Media Group (VMG), a real estate digital media and real estate agent services business.

Since being acquired in June 2019, the ACM business has undergone a comprehensive transformation, including the sale of non-core assets, a move to providing a stronger platform for digital content, a publication portfolio rationalisation and a disciplined profit improvement plan. The focus on delivering an improved digital content offering has seen digital subscriptions across the network increase from a few thousand when the business was acquired to well over 125,000 currently. In the most recent period, ACM has traded strongly, in particular the Company's valuable daily newspapers and agricultural publications.

VMG formally launched its new real estate portal, view.com.au, on 28 September 2023. The new portal gives buyers an improved way to find properties and gives vendors and agents a better way to connect with those buyers via a "Freemium" listing model. It will allow vendors to list their properties for free, with upgraded paid options available for real estate agents to further promote their listings and brands. The new portal will also allow potential buyers to look at all available properties, not just those for sale.

The initial response from the market has been strong and has resulted in more than 140,000 listings.

We remain optimistic about VMG's ability to realise its ambitions and are excited about its future prospects. As a significant shareholder in VMG, 20C, alongside other key strategic shareholders, ANZ Group and Seven West Media, is working closely with management on the pursuit and execution of its strategic plan.

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 reducing and preferably eliminating this unjustified discount gap. The introduction of a high watermark for TOP was announced at the Company's 2023 AGM. The intention is for this to serve as an additional initiative to address the share price discount to NTA along with our ongoing buyback.

## Chairman's letter (continued)

### Outlook

TOP is positive on the market outlook in 2024 given the potential for both a strong pickup in M&A activity and interest rate cuts sometime in the future.

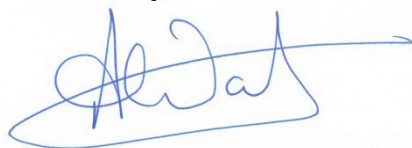
We believe our small and microcap stocks are especially well-placed to benefit given the heavy sell-off across the sector over the past 12- 18 months.

We continue to be bullish on our holdings in infrastructure, mining and resource services companies as they are performing well, and show strong order books and buoyant earnings outlooks.

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.

Sincerely

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal flourish extending to the right.

**Alex Waislitz OAM**  
Chairman  
21 February 2024

# Directors' report

The directors present their report, together with the financial statements of Thorney Opportunities Ltd (TOP or Company) for the half-year ended 31 December 2023 and the auditor's review report thereon. The financial statements have been reviewed and approved by the directors on the recommendation of the Audit and Risk Committee.

## 1. Directors

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

<u>Name:</u>	<u>Period of Directorship:</u>
Alex Waislitz OAM	Director since 21 November 2013
Henry Lanzer AM	Director since 21 November 2013
Dr Gary Weiss AM	Director since 21 November 2013

## 2. Principal activities

Thorney Opportunities Ltd is an investment company listed on the Australian Securities Exchange (ASX:TOP) and its principal activity is making investments in listed and unlisted securities in accordance with the provisions of the Company's constitution.

## 3. Review of operations

For the half-year under review, the Company recorded a net gain after tax of \$14,870,723 compared to the previous corresponding half-year period gain of \$10,114,298.

TOP's half year result mainly reflects an increase in the market value of its listed securities portfolio with strong returns in the infrastructure and resource service sectors. TOP's investment in 20 Cashews Pty Ltd (which owns Australian Community Media Group (ACM) and is a significant shareholder in View Media Group (VMG)), also contributed to the overall result with a small increase to its fair value.

TOP's five largest listed portfolio holdings of TOP (MRM, ANG, SXE, SVR & SSM), represent approximately 54% of the TOP's portfolio, while 20 Cashews Pty Ltd makes up 25%.

The Net Tangible Asset Backing per share (NTA) after tax as at 31 December 2023 was 76.5 cents per share compared with 70.0 cents per share as at 30 June 2023. These figures are after dividend payments of 1.45 cents per share during 2024 financial year (2023: 1.40 cents).

A 2023 Final dividend of 1.45 cents per share fully franked was paid during the period and a 2024 interim fully franked dividend of 1.05 cents per share has been declared by the Board and will be paid on 29 March 2024.

During the half-year period, the Company lodged change of interest of substantial holder notices for SXE, MRM, AVD, SVR & TNY.

As at 31 December 2023, the On-Market Share Buy-Back (announced on 22 February 2023) has resulted in a total of 2,955,192 shares being bought back at a cost of \$1,506,848, at an average of 50.9 cents per share. The buy-back period ceases on 8 March 2024.

As announced at the 2023 Annual General Meeting, the Board reached an in-principle agreement with the Investment Manager to implement a high water mark when calculating performance fees for TOP. The initial high water mark (HWM) has been set as the Net Asset Value (NAV) in respect of the Financial Year ended 30 June 2023 (\$133,055,599).

For each 12-month period where the Increased Net Asset Value less the Base Fee less the HWM is greater than zero, a performance fee will be paid. The HWM resets each time a performance fee is payable. Should the NAV close below the HWM, no performance fee is payable. The implementation is subject to compliance with the ASX Listing Rules and any required approvals.

## Directors' report (continued)

### 4. Subsequent events

There were no events subsequent to balance date.

### 5. Auditor's independence declaration

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

Signed in accordance with a resolution of directors:

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal stroke extending to the right.

**Alex Waislitz OAM**  
Chairman

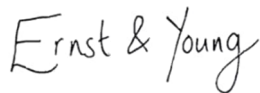
Melbourne,  
21 February 2024



## Auditor's independence declaration to the Directors of Thorney Opportunities Ltd

As lead auditor for the review of the half-year financial report of Thorney Opportunities Ltd for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

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



Ernst & Young



Emma Reekie  
Partner  
21 February 2024

# Statement of comprehensive income

For the half-year ended 31 December 2023

	Note	December 2023 \$	December 2022 \$
<b>Income</b>			
Net changes in fair value of investments	2	21,497,555	14,971,555
Interest income	2	72,679	77,733
Dividend income	2	2,217,694	1,666,025
Other Income	2	180,000	-
<b>Total investment income</b>	2	<b>23,967,928</b>	<b>16,715,313</b>
<b>Expenses</b>			
Management fees	7	(1,190,863)	(1,105,686)
Performance fees	7	(3,527,511)	(2,608,089)
Directors' fees		(58,275)	(85,638)
Finance costs		-	(7)
Fund administration and operational costs		(50,033)	(55,822)
Legal and professional fees		(210,270)	(153,397)
Other administrative expenses		(53,783)	(53,304)
<b>Total expenses</b>		<b>(5,090,735)</b>	<b>(4,061,943)</b>
<b>Profit before income tax</b>		<b>18,877,193</b>	<b>12,653,370</b>
Income tax expense	3	(4,006,470)	(2,539,072)
<b>Total comprehensive income for the half-year</b>		<b>14,870,723</b>	<b>10,114,298</b>
<b>Basic earnings per share (cents)</b>	11	<b>7.85</b>	<b>5.23</b>
<b>Diluted earnings per share (cents)</b>	11	<b>7.85</b>	<b>5.23</b>

The Statement of comprehensive income should be read in conjunction with the notes to the half-year financial statements.

# Statement of financial position

As at 31 December 2023

	Note	December 2023 \$	June 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short-term deposits	6	4,803,792	4,323,402
Financial assets	5	111,474,740	96,547,733
Receivables		911,307	637
Prepayments		112,076	34,924
<b>Total current assets</b>		<b>117,301,915</b>	<b>100,906,696</b>
<b>Non-current assets</b>			
Financial assets	5	37,607,099	37,421,165
<b>Total non-current assets</b>		<b>37,607,099</b>	<b>37,421,165</b>
<b>TOTAL ASSETS</b>		<b>154,909,014</b>	<b>138,327,861</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables and accruals	7	4,841,045	3,672,204
<b>Total current liabilities</b>		<b>4,841,045</b>	<b>3,672,204</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	4	5,606,528	1,600,058
<b>Total non-current liabilities</b>		<b>5,606,528</b>	<b>1,600,058</b>
<b>TOTAL LIABILITIES</b>		<b>10,447,573</b>	<b>5,272,262</b>
<b>NET ASSETS</b>		<b>144,461,441</b>	<b>133,055,599</b>
<b>EQUITY</b>			
Issued capital	9	97,428,340	98,142,357
Reserve		192,386,019	176,215,700
Accumulated losses		(145,352,918)	(141,302,458)
<b>TOTAL EQUITY</b>		<b>144,461,441</b>	<b>133,055,599</b>

The Statement of financial position should be read in conjunction with the notes to the half-year financial statements.

# Statement of changes in equity

For the half-year ended 31 December 2023

	Issued capital	Profit reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>98,142,357</b>	<b>176,215,700</b>	<b>(141,302,458)</b>	<b>133,055,599</b>
Profit for the half-year	-	-	14,870,723	14,870,723
Other comprehensive income	-	-	-	-
<b>Total comprehensive gain for the half-year</b>	<b>-</b>	<b>-</b>	<b>14,870,723</b>	<b>14,870,723</b>
Transfer to Profits Reserve	-	18,921,183	(18,921,183)	-
<u>Transactions with shareholders:</u>				
Dividends paid	-	(2,750,864)	-	(2,750,864)
Share Buy-back	(714,017)	-	-	(714,017)
<b>Total transactions with shareholders</b>	<b>(714,017)</b>	<b>(2,750,864)</b>	<b>-</b>	<b>(3,464,881)</b>
<b>Balance as at 31 December 2023</b>	<b>97,428,340</b>	<b>192,386,019</b>	<b>(145,352,918)</b>	<b>144,461,441</b>

For the half-year ended 31 December 2022

	Issued capital	Profit reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>100,524,637</b>	<b>153,530,462</b>	<b>(124,753,237)</b>	<b>129,301,862</b>
Profit for the half-year	-	-	10,114,298	10,114,298
Other comprehensive income	-	-	-	-
<b>Total comprehensive gain for the half-year</b>	<b>-</b>	<b>-</b>	<b>10,114,298</b>	<b>10,114,298</b>
Transfer to Profits Reserve	-	15,646,670	(15,646,670)	-
<u>Transactions with shareholders:</u>				
Share Buy-back	(1,325,715)	-	-	(1,325,715)
Dividends paid	-	(2,712,775)	-	(2,712,775)
<b>Total transactions with shareholders</b>	<b>(1,325,715)</b>	<b>(2,712,775)</b>	<b>-</b>	<b>(4,038,490)</b>
<b>Balance as at 31 December 2022</b>	<b>99,198,922</b>	<b>166,464,357</b>	<b>(130,285,609)</b>	<b>135,377,670</b>

The Statement of changes in equity should be read in conjunction with the notes to the half-year financial statements.

# Statement of cash flows

For the half-year ended 31 December 2023

	December 2023 \$	December 2022 \$
<b>Cash from operating activities:</b>		
Interest received	72,679	77,733
Dividends received	2,201,893	1,666,025
Proceeds from sale of trading investments	9,807,199	9,519,347
Payments for trading investments	(3,406,783)	(3,704,777)
Payments to suppliers and employees	(4,909,717)	(825,264)
Other Income	180,000	-
<b>Net cash provided by operating activities</b>	<b>3,945,271</b>	<b>6,733,064</b>
Payment for Share Buy-Back costs	(714,017)	(1,325,715)
Dividends paid	(2,750,864)	(2,712,775)
<b>Net cash (used in) financing activities</b>	<b>(3,464,881)</b>	<b>(4,038,490)</b>
Net increase in cash held	480,390	2,694,574
Cash at the beginning of the half year	4,323,402	3,485,665
<b>Cash at the end of the half-year</b>	<b>4,803,792</b>	<b>6,180,239</b>

The Statement of cash flows should be read in conjunction with the notes to the half-year financial statements.

# Notes to the financial statements

The half-year financial statements of Thorney Opportunities Ltd for the half-year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 21 February 2024.

## 1. Material accounting policies

### (a) Basis of preparation

The half-year financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The half-year financial statements do not include all of the notes and information required for annual financial statements. Accordingly, these financial statements should be read in conjunction with the financial statements for the year ended 30 June 2023 and any public announcements made by Thorney Opportunities Ltd during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

The directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the half-year financial statements.

#### i. New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its financial year beginning 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – *Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2].

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

None of the other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### ii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for the annual periods beginning after 1 January 2024 and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Company.

### (b) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

#### i. Income taxes

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Refer to Note 4 for further detail regarding deferred tax liabilities.

#### ii. Level 3 Investment Valuation

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period. Refer to Note 5 for the further details in relation the level 3 valuations.

### (c) Segment information

The company has only one reportable segment. The Company operates in one industry being the securities industry, deriving revenue from dividend and trust distribution income, interest income and from the sale of its trading portfolio.

## Notes to the financial statements continued

### 2. Total investment income (loss)

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

	December 2023	December 2022
Net realised gains / (losses ) of trading investments <sup>1</sup>	5,418,107	(25,742,294)
Gain that had been unrealised in prior period for trading investments which were realised in the reporting period <sup>2</sup>	3,551,249	3,172,399
Unrealised gains / (losses) for change in fair value of:		
- Trading investments	12,346,779	37,228,961
- Long term investments	181,420	312,489
<b>Net changes in fair value of investments</b>	<b>21,497,555</b>	<b>14,971,555</b>
Interest income	72,679	77,733
Dividend income	2,217,694	1,666,025
Other Income	180,000	-
<b>Total investment income</b>	<b>23,967,928</b>	<b>16,715,313</b>

<sup>1</sup> Net realised gains / (losses) of trading investments is the difference between the selling price and the cost of the investments sold during the reporting period.

<sup>2</sup> Gains / (losses) that had been unrealised in prior period for trading investments which were realised in the reporting period, represents the 31 December 2023 unrealised fair value adjustments of investments sold in the reporting period.

# Notes to the financial statements continued

## 3. Income tax

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

	December 2023	December 2022
<b>Current tax</b>		
Current income tax expense	1,391,351	487,353
<b>Deferred tax</b>		
Origination and reversal of temporary differences	2,615,119	2,051,719
<b>Income tax expense recognised in the Statement of comprehensive income</b>	<b>4,006,470</b>	<b>2,539,072</b>
<b>Profit before income tax</b>	<b>18,877,194</b>	<b>12,653,370</b>
Prima facie tax expense on profit from ordinary activities before income tax at 25% (2023: 25%)	(4,719,299)	(3,163,343)
Deferred income tax (expense)		
- Imputation credits converted to losses	950,440	714,011
- Imputation credits on dividends received	(237,610)	(178,503)
- Other adjustment	(1)	88,763
<b>Income tax (expense) recognised in the Statement of comprehensive income</b>	<b>(4,006,470)</b>	<b>(2,539,072)</b>

## 4. Deferred tax

	December 2023	June 2023
<b>Deferred tax assets (liabilities)</b>		
Financial assets	(13,510,729)	(10,058,327)
Long term financial assets	(8,964,293)	(8,918,938)
Business establishment costs	679	894
Accrued Performance fee	881,878	-
Other	17,133	16,160
Losses available for offsetting against future taxable income	15,968,804	17,360,153
<b>Net deferred tax assets (liabilities)</b>	<b>(5,606,528)</b>	<b>(1,600,058)</b>

At 31 December 2023, the Company has estimated unused gross revenue tax losses of \$63,875,218 (June 2023: \$69,440,612) 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.

At 31 December 2023, the Company has estimated unused gross capital tax losses of \$30,714,821 (June 2023: \$30,714,821) for which no deferred tax asset has been recognised.



# Notes to the financial statements continued

## 5. Fair value measurements

To reflect the source of valuation inputs used when determining the fair value of its financial assets and financial liabilities, the 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. The fair value of these investments is based on the last sale price for the security as quoted on the relevant exchange;
Level 2:	valuation techniques using market observable inputs, either directly or indirectly. The fair value of assets and liabilities with short-term maturities are valued at the amount at which the asset or liability could be exchanged in a current transaction between willing parties; and
Level 3:	valuation techniques using non-market observable data with the fair value for investments based on inputs determined by Directors' valuation.

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

	December 2023	June 2023
<b>Assets measured at fair value</b>		
Level 1: Listed equities	111,474,740	96,547,733
Level 2: -	-	-
Level 3: Long-term financial assets <sup>1</sup>	37,607,099	37,421,165
<b>Total financial assets</b>	<b>149,081,839</b>	<b>133,968,898</b>
Total current	111,474,740	96,547,733
Total non-current	37,607,099	37,421,165

<sup>1</sup> 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 (41%), 20C's investment in View Media Group (VMG) (38%), surplus real estate assets (14%), and investment in Southern Cross Media Group 7% (ASX:SXL).

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.

There were no transfers in the fair value hierarchy for the half-year.

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 31 December 2023 is summarised below:

Unobservable inputs	Description	Sensitivity of the input to the fair value calculation	
EBITDA margin	The EBITDA margin represents the ACM's earnings before interest, tax, depreciation, and amortisation as a percentage of the ACM's total revenue.	1% increase \$3.1 million	1% decrease (\$3.1 million)
EBITDA	The EBITDA represents the ACM's earnings before interest, tax, depreciation, and amortisation	10% increase \$3.7 million	10% decrease (\$3.7 million)
Long-term growth rate	A long-term growth rate of 0% is used to extrapolate the cash flows of the business beyond the five-year forecast period.	1% increase \$0.8 million	1% decrease (\$0.7 million)
Weighted average cost of capital (WACC)	The WACC (post-tax) of 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 (\$1.2million)	1% decrease \$1.4 million

# Notes to the financial statements continued

## 5. Fair value measurements (continued)

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

Financial assets:	Financial assets (20C) \$	Unlisted equities \$	Loan notes \$	Total \$
Balance at 1 July	36,688,600	682,565	50,000	37,421,165
Unrealised gain recognised in Statement of comprehensive income	74,600	111,334	-	185,934
Conversion of loan notes to unlisted equity	-	50,000	(50,000)	-
<b>Balance at 31 December 2023</b>	<b>36,763,200</b>	<b>843,899</b>	<b>-</b>	<b>37,607,099</b>

For all financial instruments other than those measured at fair value, their carrying value approximates fair value. The carrying amounts of trade and other receivables and payables are reasonable approximations of their fair values due to their short-term nature.

## 6. Cash and short term deposits

	December 2023 \$	June 2023 \$
Cash at bank	4,803,792	4,323,402
<b>Total cash and short term deposits</b>	<b>4,803,792</b>	<b>4,323,402</b>

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

## 7. Payables and accruals

	December 2023 \$	June 2023 \$
Management fee accrual (payable)	1,190,863	1,069,303
Performance fee accrual	3,527,511	2,337,584
Sundry creditors and accruals	122,671	265,310
<b>Total payables and accruals</b>	<b>4,841,045</b>	<b>3,672,197</b>

The Management fee and Performance fee is paid within 60 days of receiving an invoice from the Investment Manager. Sundry creditors are generally paid in accordance with the terms negotiated with each individual creditor.

## 8. Equity lending facility

During the December 2021 period, the Company entered an Equity Lending Facility with National Australia Bank Ltd to provide margin lending finance for general investment purposes. The daily maximum amount of borrowing available to the Company is the collateral market value less a security ratio margin, up to a facility limit of \$10,000,000. For December 2023, the amount of drawdown on this facility is nil. (June 2023 drawdown is nil.)

# Notes to the financial statements continued

## 9. Issued capital

	December 2023 Number of shares	June 2023 Number of shares	December 2023 \$	June 2023 \$
<b>(a) Ordinary shares</b>				
Balance at 1 July	190,199,600	194,663,916	98,142,357	100,524,637
Share Buy-Back	(1,460,731)	(4,464,316)	(714,017)	(2,380,102)
Cost of issue	-	-	-	(2,178)
<b>Total issued and authorised capital</b>	<b>188,738,869</b>	<b>190,199,600</b>	<b>97,428,340</b>	<b>98,142,357</b>

As at 31 December 2023, the On-Market Share Buy-Back (announced on 22 February 2023) has resulted in a total of 2,955,192 shares being bought back at a cost of \$1,506,848, at an average of 50.9 cents per share. The buy-back period ceases on 8 March 2024.

## 10. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 31 December 2023 and 2022.

Services from and transactions with related parties <sup>1</sup>		
	December 2023 \$	December 2022 \$
<i>Entities with significant influence over the Company:</i>		
Thorney Management Services Pty Ltd <sup>1</sup>	4,718,374	3,713,775
TIGA Trading Pty Ltd	26,000	26,000
<i>Related parties of key management personnel of the Company:</i>		
Arnold Bloch Leibler	35,708	28,855
Directors' fees paid (in aggregate)	27,750	55,250

All related party transaction amounts are shown exclusive of GST.

<sup>1</sup> Under the Investment Management Agreement the Investment Manager, Thorney Management Services Pty Ltd, is entitled to a Base Fee based on total assets under management and a Performance Fee in respect of any annual Increase Amount. Based on the Increase Amount for the six months to 31 December 2023, a Performance Fee of \$3,527,511 (December 2022 \$2,608,089) and a Base Fee of \$1,190,863 (December 2022 \$1,105,686) has been accrued in the half-year financial statements. The accrual includes GST after deduction of the reduced input tax credit. Refer to *Note 7 Payables and Accruals*.

# Notes to the financial statements continued

## 11. Earnings per share

	December 2023	December 2022
Basic earnings per share (cents)	7.85	5.23
Diluted earnings per share (cents)	7.85	5.23
Gain used in calculating basic and diluted earnings per share (\$)	14,870,723	10,114,298
	2023 Number of Shares	2022 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings (loss) per share	189,469,193	193,390,017

## 12. Dividends

Dividends paid and payable by the Company during the half-year:

	December 2023 \$	December 2022 \$
(a) Final Dividend FY 2023 A fully franked dividend of 1.45 cents per share for the year ended 30 June 2023 was paid on 29 September 2023	2,750,864	2,712,775
(b) Interim Dividend FY 2024 not recognised at half-year end On 21 February 2024, the Directors have declared a 1.05 cents per share fully franked dividend which has not been recognised as a liability at the end of the half-year. The dividend will be paid on 29 March 2024 to owners of ordinary shares at the close of business on 14 March 2024 (record date).	1,963,937	2,011,449

## 13. Contingent liabilities

The Company has no contingent liabilities as at 31 December 2023 (December 2022: nil).

## 14. Subsequent events

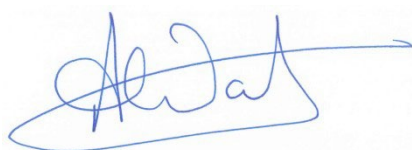
There were no events subsequent to balance date.

# Directors' 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 half-year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
    - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal stroke extending to the right.

**Alex Waislitz OAM**  
Chairman

Melbourne,  
21 February 2024

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

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Thorney Opportunities Ltd (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that make us to believe that the half-year financial report of the Company does not comply with the *Corporations Act 2001*, including:

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

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

#### Auditor's Responsibility for the Review of the Half-Year Financial Report

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



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

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Emma Reekie'.

Emma Reekie  
Partner  
Melbourne  
21 February 2024

