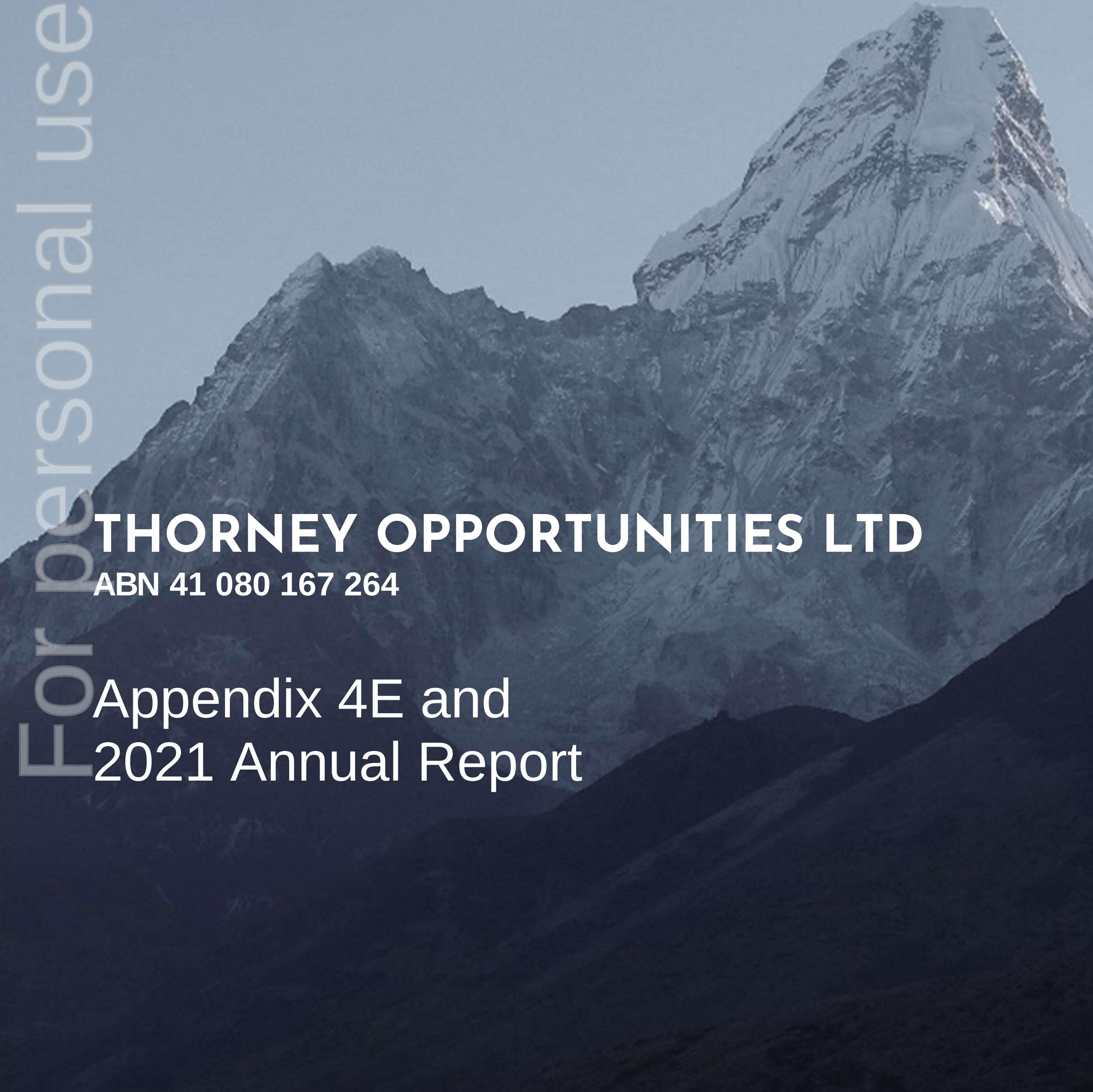


THORNEY

OPPORTUNITIES TOP

THORNEY OPPORTUNITIES LTD

ABN 41 080 167 264

Appendix 4E and 2021 Annual Report

THORNEY OPPORTUNITIES LTD
ABN 41 080 167 264

APPENDIX 4E (Listing Rule 4.3A)

Preliminary final report for the year ended 30 June 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to year ended 30 June 2020)

	$'000s	Movement $'000	Up/ Down	Movement %
Income from ordinary activities	38,813	85,765	Up	>100%
Profit before tax for the year	30,105	79,849	Up	>100%
Profit after tax for the year	22,527	57,445	Up	>100%

Dividend information	Cents per share	Franked amount per share	Taxing rate for franking
2021 Final dividend cents per share	**1.35**	**1.35**	**26.0%**
2021 Interim dividend cents per share	0.80	0.80	30.0%
2020 Final dividend cents per share	1.27	1.27	30.0%

2021 Final dividend dates	
Ex-dividend date	8 September 2021
Record date	9 September 2021
Payment date	30 September 2021

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) will not operate in respect of the 2021 Final dividend.

	30 June 2021	30 June 2020	Movement
Net tangible asset backing (after tax) per share	70.4 cents	61.0 cents	Up 15%

This information should be read in conjunction with the 2021 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.

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.

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, Melbourne 8 Exhibition Street Melbourne Vic 3000
Solicitors:	Arnold Bloch Leibler 333 Collins Street Melbourne Vic 3000
Share Registry:	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 T: + 612 9290 9600 F: + 612 9279 0664 W: www.boardroomlimited.com.au For all shareholder related enquiries please contact the share registry.

Annual General Meeting (AGM):	When:	Wednesday 8 November 2021[1]
	Where:	TOP is planning to hold a Virtual 2021 Annual General Meeting[1]

[1] The Company will advise full meeting details to all shareholders early October 2021.

Contents

Chairman's letter

THORNEY

OPPORTUNITIES

TOP

Dear fellow TOP shareholder,

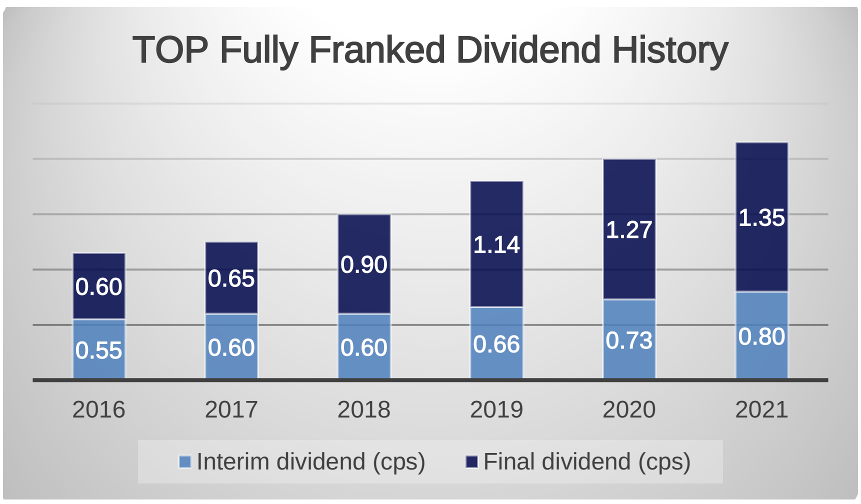
I am pleased to report that your company Thorney Opportunities Ltd (TOP) delivered a substantially improved performance for the year ended 30 June 2021.

TOP's after tax earnings were a record $22.5 million – a $57.4 million turnaround on the previous year.

Net tangible assets (NTA) after tax and fees at 30 June 2021 stood at 70.4 cps – an increase of 15.4% over that from 12 months ago.

Directors have declared a fully franked final dividend of 1.35 cps which, on top of the interim dividend of 0.80 cps, brings TOP's total dividend payout for the year to 2.15 cps fully franked. This represents an increase in total dividends paid compared to the prior year of 7.5% and a yield of approximately 3.9% (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. TOP's ability to pay higher dividend yields – (see bar chart below) is a welcome outcome at a time of historically low interest rates.



TOP's overall results for FY2021 are particularly pleasing in light of the market's continued enthusiasm for growth and technology stocks rather than the value-based companies which make up the majority of TOP's portfolio.

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. This approach is combined with continued constructive advocacy with boards and management to implement change when required designed to deliver positive returns to shareholders over the medium to long term.

A good example of this philosophy is TOP's current largest holding, Money3 Corporation Limited (MNY).

TOP is a long-term holder in this non-bank provider of automotive vehicle financing and has backed the company over its history, working closely with board and management to implement change when required. MNY continues to grow its market share both organically and through acquisition and its strong share price performance and increased dividend during FY2021 has continued into the current financial year.

Another major contributor to TOP's pleasing performance was its holding in the unlisted 20 Cashews Pty Ltd (20C) which has an underlying investment in the Australian Community Media group (ACM).

TOP took a cautious approach to its assessment of the carrying value of this investment in FY2020 with Directors being mindful of the potential longer term impact that bushfires, floods and COVID-19 would have on regional Australia and the ACM business.

However, during the course of FY2021, management moved to accelerate the transformation plan, which included operating the business efficiently, disposing of surplus real estate assets, closing print facilities, rationalising the publication portfolio, launching new publications and strongly growing its digital subscriber base which has now passed 100,000. This transformational work is continuing.

As a result of the work completed thus far, and the outlook for FY2022, the Directors' have determined that an increase in the carrying value of TOP's investment in ACM is warranted. The carrying value of TOP's investment has been increased by approximately $15.0 million since 30 June 2020 to a value of $21.5 million, making it one of TOP's largest investments.

The Directors remain excited about the next phase of transformation and the future growth opportunities which exist for ACM.

In the listed portfolio, TOP's other four largest holdings apart from MNY at year end were MMA Offshore Ltd (MRM), AMA Group Ltd (AMA), Southern Cross Electrical Engineering Ltd (SXE) and Consolidated Operations Group Ltd (COG).

MNY, MRM, SXE and COG all finished FY2021 with share prices higher than the previous year. AMA's automotive smash repairs operations were affected by the impact of reduced traffic accidents as a result of COVID. However, with new management and the prospect of increased traffic flows once Australia begins to open up (hopefully) next year, we are optimistic AMA will recover.

Although in hindsight we may have invested a little early, we are also expecting strong tailwinds from the massive capital spending programs in infrastructure and resources to be positive for a number of TOP portfolio companies including MRM, SXE, Austin Engineering Limited (ANG) and Decmil Group Limited (DCG).

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

In February 2021, TOP announced that it would launch a further on-market share buyback for a 12-month period ending 18 February 2022. I have also foreshadowed a number of other steps designed to help close the NTA discount gap. These include more frequent shareholder communications and providing greater detail on key holdings and activities. We will be implementing these and other shareholder value-enhancing steps in coming months.

As an example, the COVID-19 necessitated introduction of webinar-based TOP investor briefings throughout the financial year proved popular and these will continue in FY2022. The investor briefings conducted during the past year have been posted on the newly updated TOP website along with other communications and podcasts interviews etc. The webinars can also be viewed by clicking here. The next webinar for TOP investors will take place later this month with details to be sent to shareholders shortly.

Outlook

As I also mentioned to shareholders in Thorney's other LIC Thorney Technologies Ltd (TEK), in all my years as a professional share market investor, I cannot recall a time when there has been more diversity of opinion about the prospects for the next 12 months and beyond.

The optimists are expecting the good times and record share prices to continue, buoyed by the weight of money which has been poured into the global economy to help limit the economic impact of COVID. They point to ongoing, historically low interest rates and a lack of investment alternatives to keep underwriting record share market levels.

The pessimists say we are living on borrowed time, with values unsustainably stretched, inflation just around the corner and the full global impact of the pandemic so far yet to filter through.

Then there is the very real prospect that more COVID variants could wreak even further havoc on human health and the global economy. On top of this, they point to increasing geo-political tension around the world making the prospect of a sharp market correction or worse seem increasingly likely.

At TOP we have always taken a cautiously optimistic approach. We believe that no matter what forces are impacting the overall market, there will always examples of mispriced or undervalued companies which have the potential to be re-rated and deliver outstanding share price growth.

A significant number of companies in the TOP portfolio, e.g. Ardent Leisure (ALG), Retail Food Group (RFG) and the previously mentioned AMA stand to do well when the Australian economy eventually begins its post lockdown re-openings.

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

31 August 2021

Directors' report

The directors present their report, together with the financial statements of Thorney Opportunities Ltd (TOP or Company), for the year ended 30 June 2021 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 BEc, 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.

1. Directors continued

Information on directors continued

Ashok Jacob BSc, 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 The Straits Trading Company Limited and Hearts & Minds Investments Limited. 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 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.

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 2021 financial year.

4. Result

The Company's net income before tax for the 2021 financial year was $30,105,004 (2020: $49,744,148 loss) and the net profit after tax was $22,527,361 (2020: 34,917,472 loss).

Net tangible assets after tax were 70.4 cents per share (2020: 61.0 cents per share).

5. Dividends

On 25 August 2021 the Board declared a final fully franked dividend of 1.35 cents per share (2020 Final dividend: 1.27 cents per share). The tax rate for imputation purposes will be at 26%, 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 2021 Final dividend.

The Final dividend will be paid to shareholders on 30 September 2021. The total dividend of approximately $2,674,316 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 Wednesday, 9 September 2021.

The fully franked 2021 Interim dividend of 0.80 cents per share was paid on 31 March 2021.

The fully franked 2020 Final dividend of 1.27 cents per share was paid on 30 September 2020.

6. Review of operations

Over the course of the financial year ended 30 June 2021, the Company's net tangible assets increased by $17,394,602 to $139,488,491 (2020: $122,093,889). The increase principally reflects mark to market increases 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 Money3 Corporation Ltd (MNY), MMA Offshore Ltd (MRM), AMA Group Ltd (AMA), Southern Cross Electrical Engineering Ltd (SXE) and Consolidated Operations Group Ltd (COG) represent 55% of TOP's listed portfolio. Of the top 5, MNY, MRM, SXE and COG all closed at a stronger share price compared to 30 June 2020, contributing to an overall unrealised gain of $10.2 million for TOP's listed portfolio at 30 June 2021. A net unrealised gain of $15.1 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. A further $0.2 million unrealised gain was recognised on other long-term investments

Cash and short-term deposits as at 30 June 2021 was $2,710,406 (2020: $6,561,555). The $3,851,149 decrease in cash predominately reflects slight decline in cash from operating activities, payments made in relation to the Share buy-back totalling $1.011 million, dividends paid of $3.949 million, partially offset by net proceeds received from unlisted investments totalling $1.168 million.

6. Review of operations continued

The On-Market Share Buy-Back announced on 5 December 2019, was completed on 18 December 2020. This resulted in a total of 4,488,314 shares being bought back at a cost of $2,656,843, at an average of 59.19 cents per share.

On 3 February 2021 the Company announced a further On-Market Share Buy-Back for the period 19 February 2021 to 18 February 2022. As at 30 June 2021, a total of 1,033,417 shares have been bought back at a cost of $555,741, an average of 53.78 cents per share.

During FY2021 the Company became a substantial holder of QFE, HUB, ST1, RFG, and lodged change of interest of substantial holder notices for PRT, ISU, TNY, OVH, MNY, COG, DCG, MRM, QFE and AS1.

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	2021	2020
Net tangible assets	$139,488,491	$122,093,889
Shares on issue	198,097,499	200,071,679
Net tangible assets after tax per share	70.4 cents	61.0 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.

11. 2021 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. There was no change in remuneration during the period and annual fees paid to each Director have remained unchanged since their appointment. 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 2021, the Investment Manager was entitled to:

- a Base Fee of $2,293,734 (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 $5,669,005 (GST exclusive). 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. 2021 Remuneration report (Audited) continued

(c) Details of Remuneration

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

2021	Short term benefits		Post-employment benefits	Total
	Fees $	Other $	Superannuation $	$
Alex Waislitz	0	0	0	0
Ashok Jacob	50,000	0	4,750	54,750
Henry Lanzer[1]	54,750	0	0	54,750
Dr Gary Weiss	50,000	0	4,750	54,750
Total KMP remuneration	154,750	0	9,500	164,250

2020	Short term benefits		Post-employment benefits	Total
	Fees $	Other $	Superannuation $	$
Alex Waislitz	0	0	0	0
Ashok Jacob	50,000	0	4,750	54,750
Henry Lanzer[1]	54,750	0	0	54,750
Dr Gary Weiss	50,000	0	4,750	54,750
Total KMP remuneration	154,750	0	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 $54,750 (GST exclusive)

Dr Gary Weiss

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

11. 2021 Remuneration report (Audited) continued

(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.

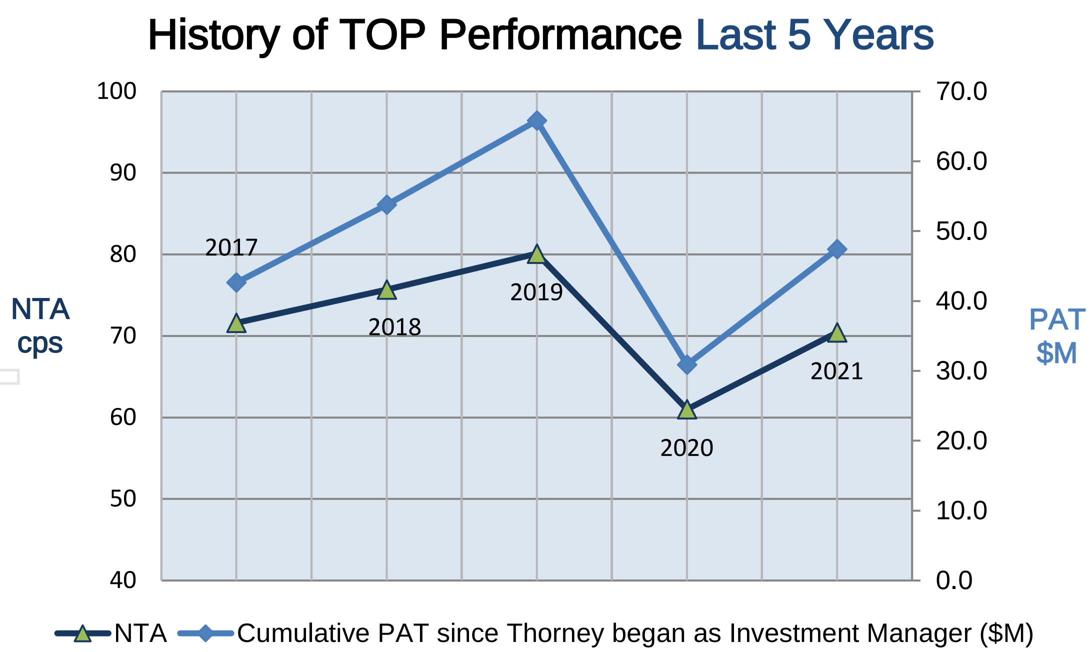
- Commenced as Director on 21 November 2013
- No term of agreement has been set unless the Director is not re-elected by shareholders of the Company
- No base salary or other compensation was received from the Company
- The Director is employed under an employment agreement with Tiga Trading Pty Ltd 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)
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
2017	20,189,353	11.9	69.5	71.6

Earnings are for continuing operations only.



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

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 2019[1]	Additions/ (Disposals) [1]	Balance 30 June 2020[1]	Additions/ (Disposals) [1]	Balance 30 June 2021[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 2021 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	5	5	4[1]	4
Ashok Jacob	5	3	4[1]	3
Henry Lanzer	5	5	4[1]	4
Gary Weiss	5	4	4[1]	4

[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 16.

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 36 of this report.

There were no non-audit services performed by the Company's auditor, Ernst & Young, during the 2021 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, 31 August 2021

Building a better working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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 2021, 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.

Ernst & Young

Ernst & Young

Tony Morse

Tony Morse
Partner
31 August 2021

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 2021 statement was approved by the Board on 02 June 2021.

Statement of comprehensive income

For the year ended 30 June 2021

	Note	2021 $	2020 $
Income			
Net changes in fair value of trading investments	3	36,556,039	(50,690,301)
Interest income	3	11,953	195,345
Dividend income	3	2,190,663	3,369,179
Other income	3	54,174	173,711
Total investment income/(loss)	3	38,812,829	(46,952,066)
Expenses			
Management fees		(2,351,078)	(2,260,552)
Performance fees		(5,810,730)	-
Directors' fees		(169,725)	(169,725)
Finance costs		(264)	(557)
Fund administration and operational costs		(103,595)	(110,525)
Legal and professional fees		(191,648)	(189,225)
Other administrative expenses		(80,785)	(61,498)
Total expenses		(8,707,825)	(2,792,082)
Profit/(loss) before income tax (expense)/benefit		30,105,004	(49,744,148)
Income tax (expense)/benefit	4	(7,577,643)	14,826,676
Total comprehensive gain/(loss) for the year		22,527,361	(34,917,472)

		2021 Cents	2020 Cents
Basic and diluted gain/(loss) per share	13	11.31	(17.24)

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 2021

	Note	2021 $	2020 $
ASSETS			
Currents assets			
Cash and short-term deposits	6	2,710,406	6,561,555
Financial assets	7	125,310,737	107,538,844
Receivables	9	1,005,613	106,540
Prepayments		25,116	13,017
Total current assets		129,051,872	114,219,956
Non-current assets			
Financial assets	7	22,314,588	6,375,000
Deferred tax assets	4	-	3,306,556
Total non-current assets		22,314,588	9,681,556
TOTAL ASSETS		151,366,460	123,901,512
LIABILITIES			
Current liabilities			
Financial liabilities	7	26,388	-
Payables and accruals	10	7,580,494	1,807,623
Total current liabilities		7,606,882	1,807,623
Non-current liabilities			
Deferred tax liabilities	4	4,271,087	-
Total non-current liabilities		4,271,087	-
TOTAL LIABILITIES		11,877,969	1,807,623
NET ASSETS		139,488,491	122,093,889
EQUITY			
Issued capital	11	102,356,034	103,369,689
Reserve	12	135,763,063	108,890,443
Accumulated losses		(98,630,606)	(90,166,243)
TOTAL EQUITY		139,488,491	122,093,889

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 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

For the year ended 30 June 2020

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	105,585,376	88,486,055	(31,053,769)	163,017,662
Loss after tax for the year	-	-	(34,917,472)	(34,917,472)
Total comprehensive loss for the year	-	-	(34,917,472)	(34,917,472)
Transfer to Profits Reserve	-	24,195,002	(24,195,002)	-
Transactions with shareholders:				
Dividends paid	-	(3,790,614)	-	(3,790,614)
Share Buy-back	(2,212,014)	-	-	(2,212,014)
Cost of Share buy-back	(3,673)	-	-	(3,673)
Total transactions with shareholders	(2,215,687)	(3,790,614)	-	(6,006,301)
Balance as at 30 June 2020	103,369,689	108,890,443	(90,166,243)	122,093,889

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 2021

	Note	2021 $	2020 $
Cash flows from operating activities:			
Interest received		11,953	195,345
)Dividends received		2,293,118	3,266,724
Proceeds from sale of trading investments		37,592,916	55,214,986
Payments for trading investments		(36,181,316)	(44,327,739)
Payments to suppliers and employees		(3,826,567)	(6,139,308)
Finance costs		(264)	(557)
Other income received		54,174	173,711
Net cash (used in)/ provided by operating activities	6	(55,986)	8,383,162
Cash flows from investing activities:			
Proceeds from repayment of investments		1,750,000	-
Payment for long-term investments		(582,501)	-
Net cash provided by investing activity		1,167,499	-
Cash flows from financing activities:			
Payment for Share Buy-Back costs		(2,750)	(3,673)
Payment for Share Buy-back		(1,010,905)	(2,212,014)
Dividends paid		(3,949,007)	(3,380,585)
Net cash (used in) financing activities		(4,962,662)	(5,596,272)
Net (decrease)/increase in cash held		(3,851,149)	2,786,890
Cash at the beginning of the year		6,561,555	3,774,665
Cash at the end of the year	6	2,710,406	6,561,555

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 2021 were authorised for issue in accordance with a resolution of the directors on 31 August 2021.

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. Further discussion on the effect of these impacts on the valuation of the Company's investments is contained in Note 7.

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 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions, issued in June 2020, added paragraphs 46A, 46B, 60A, C20A and C20B. A lessee shall apply that amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not authorised for issue at the date AASB 2020-4 was issued.

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

2.1 Summary of accounting policies continued

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 2021.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current. This Standard amends AASB 101 Presentation of Financial Statements (July 2015) as a consequence of the issuance of International Financial Reporting Standard Classification of Liabilities as Current or Non-current (Amendments to IAS 1) by the International Accounting Standards Board (IASB) in January 2020. This Standard now applies to annual reporting periods beginning on or after 1 January 2023, deferred from 1 January 2022. Implementation of this standard is not expected to have a significant impact on the Company and its financial reporting disclosures.

AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2, which amended AASB 4, AASB 7, AASB 9, AASB 16 and AASB 139, issued in September 2020, added paragraphs 104–106 and C20C–C20D. An entity shall apply these amendments for annual reporting periods beginning on or after 1 January 2021. Earlier application is permitted. If an entity applies these amendments for an earlier period, it shall disclose that fact. Implementation of this standard is not expected to have a significant impact on the Company and its financial reporting disclosures.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments. This Standard amends: (a) AASB 1 First-time Adoption of Australian Accounting Standards (July 2015); (b) AASB 3 Business Combinations (August 2015); (c) AASB 9 Financial Instruments (December 2014); (d) AASB 116 Property, Plant and Equipment (August 2015); (e) AASB 137 Provisions, Contingent Liabilities and Contingent Assets (August 2015); and (f) AASB 141 Agriculture (August 2015); as a consequence of the issuance by the International Accounting Standards Board in May 2020 of the following International Financial Reporting Standards: (g) Annual Improvements to IFRS Standards 2018–2020; (h) Reference to the Conceptual Framework (Amendments to IFRS 3); (i) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and (j) Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37). This Standard applies to annual periods beginning on or after 1 January 2022. The amendments to individual Standards may be applied early, separately from the amendments to the other Standards. These amendments are not expected to have a significant impact on the Company.

(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.

Notes to the financial statements continued

2.2 Accounting judgements and estimates

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

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

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further information is provided in note 7.

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 their nominal amounts. Amounts are generally settled within 30 days of being recognised as other financial liabilities. Given the short-term nature of other financial liabilities, the nominal amount approximates fair value.

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

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

Notes to the financial statements continued

2.3 Summary of significant accounting policies continued

a) Financial instruments continued

iii) De-recognition

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

i. The rights to receive cash flows from the asset have expired; or
ii. The 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.

(iv) Initial measurement

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

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

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

Loans and receivables and financial liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

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

(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'.

2.3 Summary of significant accounting policies continued

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.

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.

2.3 Summary of significant accounting policies continued

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.

2.3 Summary of significant accounting policies continued

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.*

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:

	2021 $	2020 $
Net realised gains of trading investments[1]	**9,178,782**	21,216,453
Gain/(loss) that had been unrealised in prior period for trading investments which were realised in the reporting period[2]	**6,793,438**	(18,093,306)
Unrealised gain/(loss) for change in fair value of trading investments	**20,583,819**	(53,813,448)
Net changes in fair value of trading investments	**36,556,039**	(50,690,301)
Interest income	**11,953**	195,345
Dividend income	**2,190,663**	3,369,179
Other income	**54,174**	173,711
Total investment income/(loss)	**38,812,829**	(46,952,066)

[1] Net realised gains of trading investments is the difference between the selling price and the cost of the investments bought and 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 2020 unrealised fair value adjustments of investments sold in the reporting period.

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:

	2021 $	2020 $
Current tax		
Current income tax expense	498,754	761,829
Deferred tax		
Origination and reversal of temporary differences	7,078,889	(15,588,505)
Income tax expense/(benefit) recognised in the Statement of comprehensive income	7,577,643	(14,826,676)
Profit/(loss) before income tax (expense)/benefit	30,105,004	(49,744,148)
Prima facie tax expense on profit from ordinary activities before income tax expense at 26% (2020: 30%)	(7,827,301)	14,923,244
Deferred income tax expense		
- Imputation credits converted to losses	921,646	1,361,005
- Imputation credits on dividends received	(239,628)	(408,302)
Prior period adjustment	(286,650)	4,065
Adjustment for change in corporate tax rate	(1,437,673)	874,261
Adjustment for trading stock and long term investments	1,299,195	(1,930,072)
Other	(7,232)	2,475
Income tax (expense)/ benefit recognised in the Statement of comprehensive income	(7,577,643)	14,826,676

Deferred tax		
Trading stock	(9,644,193)	(7,550,212)
Long term financial assets	(4,147,217)	-
Business establishment costs	25,782	57,737
Other	13,421	16,480
Losses available for offsetting against future taxable income	9,481,120	10,782,551
Net deferred tax (liability)/ asset	(4,271,087)	3,306,556

At 30 June 2021, the Company has estimated gross revenue tax losses of $36,465,846 (2020: $35,941,837) 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 2021 and has considered future economic uncertainties in the Company's forecast.

At 30 June 2021 the Company did not exceed the ATO Base Rate Entity (BRE) Aggregate turnover threshold of $50 million, therefore Company applies a 26% tax rate in the current financial year (2020: 30%).

At 30 June 2021, the Company has estimated unused gross capital tax losses of $30,714,821 (2020: $30,714,821) for which no deferred tax asset has been recognised.

5. Dividends

	2021 $	2020 $
(a) Final Dividend FY 2021 not recognised at year end		
Since the end of the year, the Directors have declared a final dividend of 1.35 cents per share fully franked at 26% tax rate which has not been recognised as a liability at the end of the year (2020: 1.27 cents per share)	**2,674,316**	2,540,910
(b) Dividend franking account		
Balance at 1 July	**1,506,812**	1,640,333
Franking credits received on dividends from investments	**980,984**	1,361,005
Franked dividends paid during the period	**(1,768,302)**	(1,494,526)
Balance at 30 June	**719,494**	1,506,812
Subsequent to reporting period, the franking account will reduce by the dividend proposed above	**939,625**	1,088,962
	(220,131)	417,850

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 expects to receive sufficient franking credits during FY22 so it can pay a fully franked FY21 Final dividend.

6. Cash and short-term deposits

	2021 $	2020 $
Cash at bank	**2,710,406**	6,561,555
Total cash and short-term deposits	**2,710,406**	6,561,555

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. 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:

	2021 $	2020 $
Total comprehensive gain/(loss) for the year	**22,527,361**	(34,917,472)
Adjustments for non-cash items:		
Unrealised component of change in fair value of investments	**(27,377,257)**	71,906,754
Net gain on disposal of investments	**-**	-
Changes in Assets & Liabilities:		
(Increase) in receivables	**(899,073)**	(105,426)
(Increase) in financial assets	**(7,521,918)**	(10,315,605)
(Increase) in other assets	**(12,099)**	(1,210)
Increase/ (decrease) in creditors & accrued expenses	**5,602,774**	(3,343,602)
Increase/ (decrease) in other financial liabilities	**46,583**	(13,601)
Increase/ (decrease) in deferred tax liabilities	**7,577,643**	(14,826,676)
Net cash (used in)/ provided by operating activities	**(55,986)**	8,383,162

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 2021 are classified as Level 1.

Unlisted 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:

	2021 $	2020 $
Assets measured at fair value		
Level 1: Listed equities	**125,310,737**	107,538,844
Level 3: Long-term financial assets		
- 20 Cashews Pty Ltd (20C)	**21,500,000**	6,375,000
- Other	**814,588**	-
Total long-term financial assets	**22,314,588**	6,375,000
Total financial assets	**147,625,325**	113,913,844
Total current	**125,310,737**	107,538,844
Total non-current	**22,314,588**	6,375,000
Liabilities measured at fair value		
Level 1: Exchange traded options	**26,388**	-
Total financial liabilities	**26,388**	-

Key inputs and sensitivities

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 (82%), shares in Prime Media Group Limited (15%), Independent Media Publishers Pty Ltd (IMP) investments, including investment holdings in realestateview.com.au, Beevo and Propic (3%).

The fair value of Prime Media Group Limited, Independent Media Publishers Pty Ltd are based on observable market inputs. The fair value of ACM is determined by a discounted cash flow model (DCF) of the ACM operating business at 30 June 2021.

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.

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 2021 is summarised below:

Key inputs and sensitivities

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* $3.2 million	*1% decrease* ($3.2 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* $0.7 million	*1% decrease* ($0.6 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 takes into account 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* ($1.0 million)	*1% decrease* $1.1 million

At 30 June 2021 the global economy continues to be impacted by the COVID-19 pandemic and the duration and extent of these impacts on the unlisted investment fair values were highly uncertain. These factors meant that there was estimation uncertainty in determining key inputs into the fair value of level 3 investments at 30 June 2021.

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: Level 3	**Financial assets (20C)**	**Financial assets (other)**	**Total**
Balance at 1 July 2020	**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	**(1,750,000)**	**-**	**(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**
Balance at 1 July 2019	7,500,000	-	7,500,000
Unrealised loss recognised in statement of comprehensive income	(1,125,000)	-	(1,125,000)
Balance at 30 June 2020	6,375,000	-	6,375,000

8. Financial assets

	2021 $	2020 $
Financial assets at fair value through profit or loss		
Listed equities[1] and options and unlisted equities, notes and warrants[2]	**147,625,325**	113,913,844
Total financial assets		
Total current	**125,310,737**	107,538,844
Total non-current	**22,314,588**	6,375,000

[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

	2021 $	2020 $
Outstanding settlement	**1,004,943**	-
Dividend clearing	**-**	102,455
Sundry debtor	**-**	2,500
GST	**670**	1,585
Total receivables	**1,005,613**	106,540

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

	2021 $	2020 $
Management fee accrual	**1,170,094**	952,493
Performance fee accrual	**5,810,730**	-
Dividend payable	**223,286**	455,525
Outstanding settlements	**281,990**	291,847
Sundry creditors and accruals	**94,394**	107,758
Total payables	**7,580,494**	1,807,623

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

	2021 Number of shares	2020 Number of shares	2021 $	2020 $
(a) Ordinary shares				
Balance at 1 July	**200,071,679**	203,619,230	**103,369,689**	105,585,376
Ordinary shares issued:				
Share buy-back	**(1,974,180)**	(3,547,551)	**(1,010,905)**	(2,212,014)
Costs of buy-back	-	-	**(2,750)**	(3,673)
Total issued and authorised capital	**198,097,499**	200,071,679	**102,356,034**	103,369,689

(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

On 5 December 2019, the Company announced an on-market share buy-back which commenced 19 December 2019 and completed on 18 December 2020 of the eligible 20,361,923 shares to be bought back, TOP bought back 4,488,314 shares at a cost of $2,656,843, an average of 59.19 cents per share.

On 3 February 2021 the Company announced a further On-Market Share Buy-Back for the period 19 February 2021 to 18 February 2022. Total eligible shares to be bought back are 16,202,141, in line with '10/12' limit prescribed by the Corporations Act 2001 (Cth). The on-market buy-back does not require shareholder approval. At 30 June 2021 a further 1,033,417 shares had been bought back, with 15,168,724 shares remaining to be purchased.

12. Reserve

	2021 $	2020 $
Profits reserve	**135,763,063**	108,890,443
Movement in profits reserve:		
Balance at 1 July	**108,890,443**	88,486,055
Transfers from retained earnings	**30,991,724**	24,195,002
Dividends paid	**(4,119,104)**	(3,790,614)
Balance at 30 June	**135,763,063**	108,890,443

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

Notes to the financial statements continued

13. Earnings per share

	2021	2020
Basic and diluted earnings/(loss) per share (cents)	11.31	(17.24)
Earnings/(loss) used in calculating basic and diluted earnings per share ($)	22,527,361	(34,917,472)

	2021 Number of Shares	2020 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	199,180,997	202,489,035

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

	2021 $	2020 $
Remuneration of the auditor for:		
Audit and review of financial reports	67,500	69,410

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 investment in unlisted investments, which represent 15% (2020: 6%) of total investments.

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 $147,625,325 (2020: $113,913,844). A decrease of 10% in share value of securities held could have an impact of approximately $14,762,532 (2020: $11,391,384) on the income or equity attributable to the Company, depending on whether the decline is significant or prolonged. An increase in 10% in share value of securities held would have a similar favourable impact on income and equity.

16. Financial risk management continued

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.

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 2021:

Services from and reimbursements to related parties[1]	2021 $	2020 $
Entities with significant influence over the Company:		
Thorney Management Services Pty Ltd	**7,962,739**	2,205,416
TIGA Trading Pty Ltd	**52,000**	52,000
Related parties of key management personnel of the Company:		
Arnold Bloch Leibler	**57,661**	60,639

[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 2021 a base fee of $2,293,734 (2020: $2,205,416) and a performance fee of $5,669,005 (2020: $0) 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 2021 financial year (2020: $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.

17. Related party transactions continued

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 $2,911 (2020: $5,889).

In accordance with the terms of Mr Lanzer's appointment, a payment of $54,750 was paid or payable to Arnold Bloch Leibler as remuneration for his role as a Director of the Company (2020: $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:

	2021 $	2020 $
Short-term benefits	154,750	154,750
Post-employment benefits	9,500	9,500
Total remuneration	164,250	164,250

18. Contingent liabilities and commitments

The Company has no contingent liabilities or commitments as at 30 June 2021.

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	
		2021	2020
Subsidiary			
87 Truca Pty Ltd	Australia	100%	100%

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 financial year ended 30 June 2021 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 2021 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 2021.

On behalf of the Board,

Alex Waislitz
Chairman

Melbourne, 31 August 2021

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

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 2021, 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 2021 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 judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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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 $147.6 million at 30 June 2021, which represents 97.5% of the total assets of the Company. The investment portfolio includes $125.3 million of listed equities and $22.3 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 and through 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 2021. 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 modelling 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 2021, a base management fee of $2.3 million and a performance fee of $5.8 million were 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 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 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

Building a better working world

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 11 to 13 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Thorney Opportunities Ltd for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Tony Morse
Partner

Melbourne
31 August 2021

Shareholder information

As at 30 August 2021

Voting rights

All ordinary shares carry one vote per share without restriction.

Distribution of shareholders

Category	Ordinary Shareholders
1 – 1,000 shares	321
1001 – 5,000 shares	413
5001 – 10,000 shares	231
10,001 – 100,000 shares	884
100,001 or more shares	227
Total number of holders	2,076
Number of shareholders holding less than a marketable parcel	229

20 largest shareholders of ordinary shares

Name	Number of shares	% of issued capital
THORNEY HOLDINGS PROPRIETARY LIMITED	52,684,531	26.59%
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	21,000,000	10.60%
TIGA TRADING PTY LTD	6,570,159	3.32%
ELPHINSTONE HOLDINGS PTY LTD	5,780,000	2.92%
HUONCAN SUPER PTY LTD <HUONCAN SUPER FUND A/C>	3,243,437	1.64%
LANGBURGH PTY LTD <MARC BESEN FAMILY TR A/C>	2,500,000	1.26%
MRS NOLA ISABEL CRIDDLE <CRIDDLE INVESTMENT FUND A/C>	1,750,000	0.88%
HUON CANNING CO PTY LTD	1,661,004	0.84%
PERPETUAL CORPORATE TRUST LTD <AFFLUENCE LIC FUND>	1,514,517	0.77%
TAMIT NOMINEES PTY LTD <THE ITESCU FAMILY A/C>	1,352,025	0.68%
AUSTIN SUPERANNUATION PTY LTD <THE BRIAN AUSTIN S/F A/C>	1,344,068	0.68%
KINSBROOK PTY LTD <SCT A/C>	1,210,000	0.61%
CASTLE FARMS PTY LTD	1,140,000	0.58%
CITICORP NOMINEES PTY LIMITED	1,120,101	0.57%
PICTON COVE PTY LTD	1,117,469	0.56%
BLACKCAT HOLDINGS PTY LTD	1,055,000	0.53%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,015,770	0.51%
DEEMCO PTY LIMITED	956,850	0.48%
DENATA PTY LTD <HAYMET S/F A/C>	900,000	0.45%
TRONES INVESTMENTS PTY LTD <NYLOX DISTRIBUTORS S/F A/C>	870,833	0.44%

Substantial shareholders

Name	Number of shares	Voting Power %
THORNEY HOLDINGS PROPRIETARY LIMITED	60,160,052	30.37%
RUBI HOLDINGS PTY LTD	21,000,000	10.60%

List of investments

	Fair value as at 30 June 2021 $
Money3 Corporation Ltd	29,312,500
MMA Offshore Ltd	12,984,169
AMA Group Ltd	10,498,772
Southern Cross Electrical Engineering Ltd	8,555,561
Consolidated Operations Group Ltd	7,223,200
Austin Engineering Ltd	7,171,838
Decmil Group Limited	6,991,586
Palla Pharma Ltd	6,940,564
Retail Food Group Ltd	6,194,373
Ardent Leisure Group	5,990,592
Service Stream Ltd	5,069,185
EarlyPay Ltd (was CML Group Ltd)	4,086,747
Cooper Energy Ltd	2,313,581
Mesoblast Ltd	1,757,511
Tinybeans Group Ltd	1,529,370
Spirit Telecom	1,352,118
Other listed investments	7,370,324
Total listed investments	**125,341,991**
Australian Community Media Group	21,500,000
Other	783,334
Total unlisted investments	**22,283,334**
Total investments	**147,625,325**

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