

# **CADENCE OPPORTUNITIES FUND LIMITED**

**A.B.N. 37 627 359 166**

**ANNUAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2024**

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# CADENCE OPPORTUNITIES FUND LIMITED

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## COMPANY PARTICULARS

<b>DIRECTORS:</b>	Karl Siegling Wayne Davies Susan Oakes Jolanta Masojada
<b>SECRETARY:</b>	Wayne Davies
<b>MANAGER OF THE COMPANY:</b>	Cadence Asset Management Pty Limited ABN: 68 106 551 062
<b>REGISTERED OFFICE:</b>	Level 6, 131 Macquarie Street Sydney, NSW 2000
<b>CONTACT DETAILS:</b>	Level 6, 131 Macquarie Street Sydney, NSW 2000 Telephone: (02) 8298 2450 Fax: (02) 8298 2499 Email: <a href="mailto:info@cadencecapital.com.au">info@cadencecapital.com.au</a> Website: <a href="http://www.cadencecapital.com.au">www.cadencecapital.com.au</a>  For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to <a href="http://asx.com.au">asx.com.au</a> or call (02) 8298 2450
<b>PRIME BROKER:</b>	BNP Paribas 10 Harewood Avenue London NW1 6AA
<b>SHARE REGISTRAR:</b>	Boardroom Pty Limited Mail Address: GPO Box 3993, Sydney NSW 2001 Telephone: (02) 9290 9600 Fax: (02) 9279 0664  For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar.
<b>AUDITORS:</b>	HLB Mann Judd Assurance (NSW) Pty Ltd Level 5/10 Shelley Street Sydney, NSW 2000
<b>ASX CODE:</b>	Cadence Opportunities Fund Limited Ordinary Shares (CDO)
<b>COUNTRY OF INCORPORATION:</b>	Australia

# CADENCE OPPORTUNITIES FUND LIMITED

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## MANAGER'S REPORT

### SUMMARY OF RESULTS

- Profit before tax of \$2.9m
- Profit after tax of \$2.3m
- Fund up 10.8% in FY24
- 7.0c fully franked final dividend
- Annualised yield of 7.8% fully franked (11.2% gross including franking)
- Dividend re-investment program (DRP) will be operating for the final dividend
- On-market buy-back planned to buy back shares issued under DRP when shares are trading at a discount to NTA

### COMPANY PERFORMANCE

Cadence Opportunities Fund Limited (ASX: CDO) ended the financial year returning a gross performance of +10.8% and earning a profit after tax of \$2.3 million. The top contributors to performance during the financial year were Meta Platforms, Alumina, Austin Engineering, Netflix, Capstone Copper, Westgold Resources/ Karora and Whitehaven Coal. The largest detractors from performance were Sierra Rutile, Zillow, Strike Energy and Syrah Resources.

Investing in turnaround situations was a strong driver of returns for the fund over the past financial year. Both Meta Platforms and Netflix were fundamentally cheap after falling significantly in early 2022. The upward trend that began in late 2022 has continued for both stocks, with Meta Platforms reaching new highs, and Netflix recovering to the high it reached in late 2021.

The performance of resource companies was mixed over the past financial year. While lithium miners performed poorly, CDO had little exposure to lithium assets. Copper, aluminium and gold all performed well which was positive for our investments in Capstone Copper, Alumina, and Westgold Resources. Whitehaven Coal performed well after acquiring the Daunia and Blackwater coal mines from BHP at an attractive price.

### DIVIDENDS

The Company announced a 7.0 cents per share fully franked year-end dividend, an increase of 0.5 cents on the interim dividend, bringing the full year dividend to 13.5 cents per share fully franked. This full year dividend equates to a 7.8% fully franked yield or a 11.2% gross yield (grossed up for franking credits) based on the share price of \$1.722 per share on the day of the announcement.

Importantly this equated to a 7.1% dividend yield based on the pre-tax NTA of \$1.91 on the day of the announcement, as the Company shares were trading at a discount to NTA. After paying this dividend the fund still has 15.5 cents per share of profits reserves to pay future dividends.

The Ex-Date for the dividend is the 15 October 2024. The payment date for the dividend is the 31 October 2024.

The dividend re-investment plan (DRP) will be in operation for this final dividend. We would encourage shareholders to participate in the DRP as an efficient mechanism to add to existing holdings in the fund. The DRP will be priced at the weighted average share price over the relevant DRP pricing period. The Company will buy-back the shares it issues under the DRP. This buy-back will operate when the CDO share price is trading at a discount to the Pre-Tax NTA.

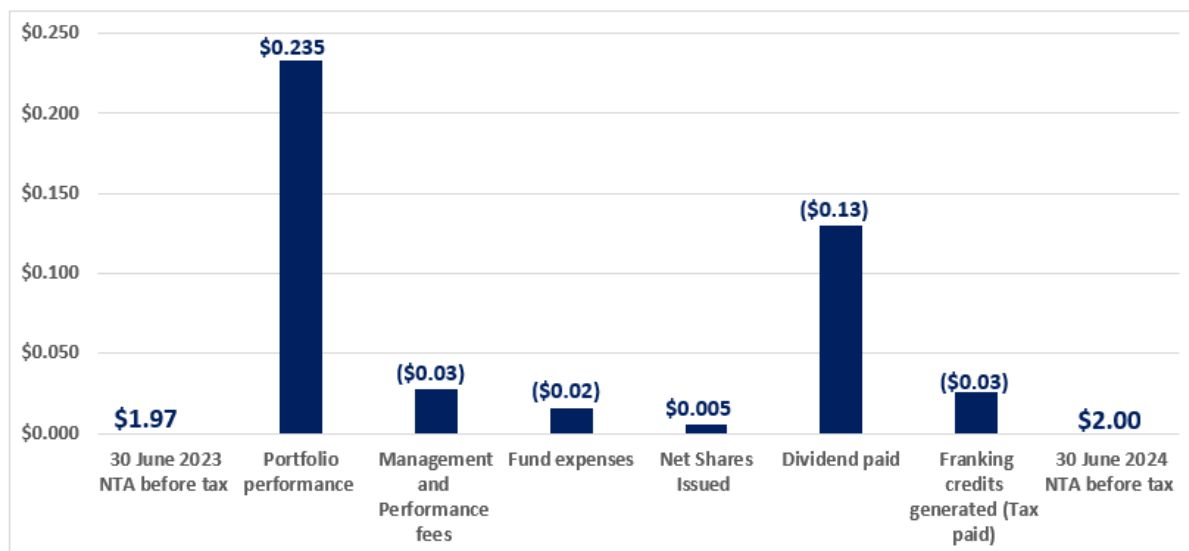
If you are not registered for the DRP and you would like to participate, please contact Boardroom on 1300 737 760.

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## MANAGER'S REPORT (Continued)

The graph below details the movement of Pre-Tax NTA per share from 30 June 2023 to 30 June 2024.



## OUTLOOK

We continue to believe that the current uptrend in interest rates is one of the most important trends to monitor in determining the direction of future asset prices. The US Federal Reserve recently cut interest rates for the first time in over 4 years, with speculation that there may be further cuts in the coming months.

We increased cash levels in the fund in July 2024 and were better positioned for the significant market falls that happened in early August due to concerns about an economic slowdown in the U.S. and China. We expect volatility to remain high in the coming months and we continue to focus on implementing the Cadence process that has served us well through market cycles.

As Investment Manager of your Company, we aim to provide shareholders with clear and transparent communication. We do this through monthly investment updates, quarterly webcasts, investor presentations, market insights, as well as annual and half yearly profit announcements. We would encourage you to register on <https://www.cadencecapital.com.au/newsletter-cdo/> to receive regular updates.

Please feel free to contact us at [info@cadencecapital.com.au](mailto:info@cadencecapital.com.au) with any feedback to improve our communication and engagement with you.

I would like to take this opportunity to thank our investors for their continued support.

Karl Siegling  
Managing Director  
Cadence Asset Management Pty Limited

# CADENCE OPPORTUNITIES FUND LIMITED

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## TOP 20 POSITIONS AS AT 30 JUNE 2024

### LONG AND SHORT POSITIONS

Long Positions	Company Name	Exposure \$	% of Equity
WHC	Whitehaven Coal Ltd	\$2,187,999	6.72%
QBE	QBE Insurance Group	\$1,764,946	5.42%
NFLX US	Netflix Inc	\$1,718,117	5.27%
CS CN	Capstone Copper Corp	\$1,444,933	4.44%
META US	Meta Platforms Inc	\$1,394,022	4.28%
RSG	Resolute Mining Ltd	\$1,343,255	4.12%
BHP	BHP Group Ltd	\$1,342,926	4.12%
KRR CN	Karora Resources Inc	\$1,309,613	4.02%
AWC	Alumina Ltd	\$1,221,781	3.75%
ORG	Origin Energy Ltd	\$1,155,841	3.55%
RBX CN	Robex Resources Inc	\$950,284	2.92%
RPL	Regal Partners Ltd	\$899,663	2.76%
COE	Cooper Energy Ltd	\$871,564	2.68%
ANG	Austin Engineering Ltd	\$859,403	2.64%
BSE	Base Resources Ltd	\$799,156	2.45%
SUN	Suncorp Group Limited	\$750,771	2.30%
EVN	Evolution Mining Ltd	\$697,494	2.14%
BPT	Beach Energy Ltd	\$679,254	2.09%
EQ	ECHOIQ Ltd	\$594,000	1.82%
<b>Short Positions</b>	<b>Company Name</b>	<b>Exposure \$</b>	<b>% of Equity</b>
UUUU US	Energy Fuels Inc	\$598,170	1.84%
<b>Total Top 20 Long and Short Positions Exposure</b>		<b>\$21,386,853</b>	<b>65.65%</b>

### TOTAL PORTFOLIO POSITIONS:

Portfolio Net Exposure Long Positions	\$33,959,077	104.24%
Portfolio Net Exposure Short Positions	\$1,117,728	3.43%
<b>Total Portfolio Net Exposure</b>	<b>\$32,841,349</b>	<b>100.81%</b>

# CADENCE OPPORTUNITIES FUND LIMITED

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2024

The Directors of Cadence Opportunities Fund Limited ("the Company") submit herewith their report together with the financial report of Cadence Opportunities Fund Limited for the financial year ended 30 June 2024.

### PRINCIPAL ACTIVITY

The principal activity of the Company is investing primarily in securities listed both in Australia and internationally. The Company may take short positions and may also deal in derivatives for hedging purposes. No significant changes in the nature of these activities occurred during the financial year.

### OPERATING RESULTS

Investment operations over the year resulted in an operating profit before tax of \$2,924,183 (2023: operating loss before tax of \$2,305,260) and an operating profit after tax of \$2,340,605 (2023: operating loss after tax of \$1,342,875).

### REVIEW OF OPERATIONS

Investments are valued continuously to market value. For the year ended 30 June 2024, net investments were valued at \$34,576,446 (2023: \$14,368,149). Further information regarding the performance of the entity during the reporting period is provided in the Manager's Report, which precedes this report.

### FINANCIAL POSITION

The net asset value of the Company for the current financial year ended was \$32,577,882 (2023: \$32,180,952).

### DIVIDENDS PAID OR RECOMMENDED

On 16 August the Board declared a 7.0 cents per share fully franked final dividend payable on the 31 October 2024. The Ex-Date for the dividend is 15 October 2024.

Dividends paid are as follows:

	\$
Fully franked 2024 interim dividend of 6.5 cents per share was paid on 30 April 2024	1,014,636
Fully franked 2023 final dividend of 6.5 cents per share was paid on 31 October 2023	1,014,636
Fully franked 2023 interim dividend of 7.5 cents per share was paid on 28 April 2023	1,156,095
Fully franked 2022 final dividend of 7.5 cents per share was paid on 28 October 2022	1,142,547

### DIRECTORS

The names of the Directors of Cadence Opportunities Fund Limited who held office during or since the end of the financial year are:

Karl Siegling  
Wayne Davies  
Susan Oakes  
Jolanta Masojada

The following persons were Directors of the Company during the financial year and up to the date of this report:

### INFORMATION ON DIRECTORS

#### Karl Siegling (Chairman)

Karl Siegling has over 30 years investment experience in the financial sector both in Australia and overseas. He holds a Bachelor of Commerce and a Law degree from the University of Melbourne and a MBA from INSEAD in France. Karl holds a Post Graduate Diploma in Finance with the Securities Institute of Australia (FINSIA). He commenced work in the Financial Services sector in Australia with Deutsche Morgan Grenfell, trading overnight currencies, bonds and bond options on the Sydney Futures Exchange. He then worked within the Equities Research Division of Deutsche Morgan Grenfell before studying an MBA at INSEAD and working as a Summer Associate within the equities division of Goldman Sachs in London.

Upon returning to Australia, Karl was the Managing Director of eFinancial Capital Limited (a subsidiary of Challenger international Limited) focused on investing in early stage and expansion capital for financial services and technology companies. Karl worked as a consultant for Wilson Asset Management, researching stocks, before setting up Cadence Asset Management Pty Limited.

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2024

### INFORMATION ON DIRECTORS (Continued)

#### Karl Siegling (Chairman) (Continued)

Karl has been the Chairman and Managing Director of Cadence Asset Management Pty Limited (the Manager), for 20 and a half years. Karl is also a Director of Cadence Capital Limited. Karl has been the Chairman and Managing Director of Cadence Capital Limited for 18 and a half years. Karl has been a Director of the Company for the past 6 years. Karl was previously a Director of Webcentral Group Limited (WCG).

#### Wayne Davies (Non-Executive Director and Company Secretary)

Wayne Davies has over 20 years funds management experience in Equity Long/Short Funds both in Australia and overseas. He is both a member of the South African Institute of Chartered Accountants and the Chartered Institute of Management Accountants. Wayne Davies is a long standing member of the Cadence Asset Management team and has been the Chief Operating Officer of Cadence Asset Management for the past 17 years. Wayne Davies previously worked with Theorema Asset Management in London and was a Director of Theorema Europe Fund and Theorema Europe Fund Plus. Wayne has been a Director of Cadence Capital Limited for the past 10 and a half years. Wayne has been a Director of the Company for the past 6 years. Wayne is a member of the Audit & Risk Committee and a member of the Nomination and Remuneration Committee. Wayne has not resigned as a director from a listed company in the past three years.

#### Susan Oakes (Non-executive Director)

Susan Oakes has over 30 years financial services industry experience. Susan has worked in trading room roles in Sydney, London and New York. Susan is a former Director and Head of Trading and Sales at Merrill Lynch and has also worked as a risk consultant at the Commonwealth Bank of Australia.

Susan possesses extensive experience and knowledge in trading and portfolio management. Susan Oakes holds a Bachelor of Health Science, an MBA from the Australian Graduate School of Management, UNSW, specialising in business risk and is also a graduate member of the Australian Institute of Company Directors (GAICD). Susan has been a Director of the Company for the past 6 years. Susan is the Chairman of the Audit & Risk Committee and a Member of the Nomination and Remuneration Committee. Susan has not resigned as a director from a listed company in the past three years.

#### Jolanta Masojada (Non-executive Director)

Jolanta Masojada is Principal of MasMarket Advisers, providing strategic investor relations and communications advice to listed companies. She has more than 25 years' experience in financial markets and equity research in the media and technology sectors in Australia and the US. Jolanta was formerly Director of Equity Research at Credit Suisse and Deutsche Bank, with previous roles at Macquarie Bank and Pierson Sal. Oppenheim in New York.

Jolanta is a graduate of the University of KwaZulu-Natal and Cambridge University. She is a Non-Executive Director of Bailador Technology Investments (ASX: BTI), a fellow of the Financial Services Institute of Australasia, a graduate of the Australian Institute of Company Directors and a Certified Investor Relations Officer (CIRO) of the Australasian Investor Relations Association (AIRA). Jolanta has been a Director of the Company for the past 2 and a half years. Jolanta is the chairman of the Nomination and Remuneration Committee and a member of the Audit & Risk Committee. Jolanta has not resigned as a director from a listed company in the past three years.

### COMPANY SECRETARY

Wayne Davies held the position of Company Secretary at the end of the financial year.

DIRECTORS' MEETINGS	No. eligible to attend	Attended
Karl Siegling (Chairperson)	4	4
Wayne Davies	4	4
Susan Oakes	4	4
Jolanta Masojada	4	4



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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2024

AUDIT COMMITTEE MEETINGS	No. eligible to attend	Attended
Susan Oakes (Chairperson)	2	2
Jolanta Masojada	2	2
Wayne Davies	2	2

### REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Cadence Opportunities Fund Limited.

#### (a) Remuneration

There are no executives that are paid by the Company. Cadence Asset Management Pty Limited provides day to day management of the Company and is remunerated as outlined below.

	Cash Salary	Superannuation	Total
	\$	\$	\$
<b>2024</b>			
Short-term Employee Benefits - Directors Fees:			
Susan Oakes	27,027	2,973	30,000
Jolanta Masojada	27,027	2,973	30,000
Wayne Davies	13,514	1,486	15,000
	<u>67,568</u>	<u>7,432</u>	<u>75,000</u>
	Cash Salary	Superannuation	Total
	\$	\$	\$
<b>2023</b>			
Short-term Employee Benefits - Directors Fees:			
Susan Oakes	27,149	2,851	30,000
Jolanta Masojada	27,149	2,851	30,000
Wayne Davies	13,575	1,425	15,000
	<u>67,873</u>	<u>7,127</u>	<u>75,000</u>

The following table reflects the Company's performance and Director's remuneration since the Company's inception:

	2024	2023	2022	2021	2020
Operating profit/(loss)after tax(\$)	2,340,605	(1,342,875)	(1,520,202)	5,594,046	1,540,980
Dividends (cents per share)	13.5	14.0	15.0	15.0	6.0
NTA after tax (\$ per share)	2.08	2.06	2.30	2.44	1.64
Total directors remuneration(\$)	75,000	75,000	61,875	22,500	22,500
Shareholders equity(\$)	32,577,882	32,180,952	35,008,765	21,965,936	8,429,424

#### (b) Director Related Entities Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Karl Siegling is the sole Director and a beneficial owner of Cadence Asset Management Pty Limited, the entity appointed to manage the investment portfolio of Cadence Opportunities Fund Limited. In its capacity as Manager, Cadence Asset Management Pty Limited was paid a management fee of \$439,180 (inclusive of GST) (2023: \$467,941). This is equivalent to 0.125% of the value of the portfolio calculated on the last business day of each month. Over a full year, the monthly management fee will be comparable to a fee of

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2024

### REMUNERATION REPORT (Continued)

#### (b) Director Related Entities Remuneration (Continued)

1.25% of the gross value of the portfolio per annum. As at 30 June 2024, the management fee payable to the Manager was \$39,619 (inclusive of GST) (2023: \$35,268).

The duties of the Manager are to manage the portfolio and to manage and supervise all investments, maintain the corporate and statutory records of the Company, liaise with the ASX with respect to compliance with the ASX listing rules, liaise with ASIC with respect to compliance with the *Corporations Act* and liaise with the share registrar of the Company.

In addition, Cadence Asset Management Pty Limited is to be paid, annually in arrears, a performance fee, being 15% (plus GST) of the amount of the increase in the value of the portfolio.

No performance fee is payable in respect of any performance period, where the portfolio has decreased in value over that period. For the year ended 30 June 2024, \$32,352 (inclusive of GST) (2023: nil). was payable to Cadence Asset Management Pty Limited. As at 30 June 2024, the balance payable to the Manager was \$32,352 (2023: nil).

Cadence Asset Management Pty Limited employs accounting personnel to provide accounting services to the Company. These services are provided on commercial terms and include a standard charge of \$4,180 (inclusive of GST) per month and an increased charge of \$6,600 (inclusive of GST) is charged for preparing the half year and full year financial statements. As at 30 June 2024, the balance payable to the Manager for these services was \$6,600 (inclusive of GST) (2023: \$6,600).

#### (c) Compensation Practices

The Board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently limited to a maximum of \$100,000 per annum between the directors. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees. Directors' fees are not linked to the performance of the Company.

#### (d) Shareholdings

The Company's key management personnel (KMP) directly and indirectly held the following shares in the Company:

Shareholdings	Balance at 1 July 2023	Acquisitions	Disposals	Balance at 30 June 2024
Karl Siegling	3,350,330	400,675	-	3,751,005
Wayne Davies	131,962	9,910	-	141,872
Jolanta Masojada	11,587	870	-	12,457
Susan Oakes	34,486	2,590	-	37,076
	<u>3,528,365</u>	<u>414,045</u>	<u>-</u>	<u>3,942,410</u>

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. As at the date of this report Karl Siegling holds 3,856,530 shares in the Company. There have been no other changes in KMP interests between balance date and the date of this report.

**End of Remuneration Report.**

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2024

### EVENTS AFTER THE REPORTING PERIOD

On 16 August 2024, the Board have declared a 7.0 cents per share fully franked final dividend payable on the 31 October 2024. The Ex-Date for the dividend is 15 October 2024.

Other than the above there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

### FUTURE DEVELOPMENTS

The Company will continue to pursue its policy of investment during the next financial year.

### ENVIRONMENTAL ISSUES

The Company's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a State or Territory.

### INDEMNIFICATION AND INSURANCE OF OFFICERS OR AUDITORS

During the year the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

### PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

### NON-AUDIT SERVICES

During the year HLB Mann Judd Assurance (NSW) Pty Ltd, the Company's auditor, did not perform other services in addition to their statutory duties for the Company. Details of the amounts paid to the auditors and their related parties are disclosed in Note 2 to the financial statements.

### CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement for the year ended 30 June 2024 is provided on the Company's website at <https://www.cadencecapital.com.au/wp-content/uploads/2024/09/CDO-Corp-Governance-Statement-September-2024.pdf>.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 12 of this Annual Report.

# CADENCE OPPORTUNITIES FUND LIMITED

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## DIRECTORS' REPORT TO SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE 2024

Signed in accordance with a resolution of the Board of Directors of the Company:



**Karl Siegling**  
Director

Dated in Sydney, this 24th day of September 2024

# CADENCE OPPORTUNITIES FUND LIMITED

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## Auditor's Independence Declaration

To the directors of Cadence Opportunities Fund Limited:

As lead auditor for the audit of the financial report of Cadence Opportunities Fund Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'K L Luong', with a long horizontal flourish extending to the right.

Sydney, NSW  
24 September 2024

K L Luong  
Director

[hlb.com.au](http://hlb.com.au)

**HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215**

Level 5, 10 Shelley Street Sydney NSW 2000 Australia

**T:** +61 (0)2 9020 4000 **E:** [mailbox@hlbnsw.com.au](mailto:mailbox@hlbnsw.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# CADENCE OPPORTUNITIES FUND LIMITED

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## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>INCOME</b>			
Net realised and unrealised gain /(loss) on investments		2,580,010	(2,415,947)
Dividends received		1,251,212	1,318,141
Interest received		508,617	433,222
Other income		1,125	14,326
<b>Net revenue and income/ (loss)</b>		<u>4,340,964</u>	<u>(650,258)</u>
<b>EXPENSES</b>			
Finance costs		(351,028)	(269,720)
Brokerage expenses on share purchases		(89,972)	(273,912)
Directors fees		(75,000)	(75,000)
Dividends on short positions		(242,107)	(235,956)
Stock loan fees		(6,446)	(107,671)
Custody fees		(7,358)	(29,871)
Audit and taxation fees	2	(71,283)	(95,900)
Management fees		(409,236)	(436,036)
Performance fees		(30,147)	-
ASX Fees		(46,885)	(48,632)
Registry fees		(21,311)	(17,103)
Other expenses from ordinary activities		(66,008)	(65,201)
<b>Total expenses</b>		<u>(1,416,781)</u>	<u>(1,655,002)</u>
<b>Profit/ (loss) before income tax</b>		<b>2,924,183</b>	<b>(2,305,260)</b>
Income tax (expense)/ benefit	3(a)	<u>(583,578)</u>	<u>962,385</u>
<b>Profit/ (loss) attributable to members of the Company</b>		<u><b>2,340,605</b></u>	<u><b>(1,342,875)</b></u>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income/ (loss) for the year attributable to members of the Company</b>		<u><b>2,340,605</b></u>	<u><b>(1,342,875)</b></u>
<b>Basic earnings/ (loss) per share</b>	12	<u><b>15.0 cents</b></u>	<u><b>(8.7) cents</b></u>
<b>Diluted earnings/ (loss) per share</b>	12	<u><b>15.0 cents</b></u>	<u><b>(8.7) cents</b></u>

The accompanying notes form part of these financial statements.

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>ASSETS</b>			
Cash and cash equivalents	11(a)	3,469,417	21,196,633
Trade and other receivables	5	78,892	519,980
Financial assets at fair value through profit or loss	6	35,623,574	18,085,246
Current tax asset	3(c)	-	207,104
Deferred tax asset	3(b)	1,349,737	1,296,957
<b>TOTAL ASSETS</b>		<b>40,521,620</b>	<b>41,305,920</b>
<b>LIABILITIES</b>			
Cash overdrafts	11(a)	6,704,765	3,956,359
Trade and other payables	7	161,588	1,451,512
Financial liabilities at fair value through profit or loss	8	1,047,128	3,717,097
Current tax liability	3(c)	30,257	-
<b>TOTAL LIABILITIES</b>		<b>7,943,738</b>	<b>9,124,968</b>
<b>NET ASSETS</b>		<b>32,577,882</b>	<b>32,180,952</b>
<b>EQUITY</b>			
Issued capital	9(a)	32,819,799	32,734,202
Profits reserve	10	3,522,195	5,551,467
Accumulated losses		(3,764,112)	(6,104,717)
<b>TOTAL EQUITY</b>		<b>32,577,882</b>	<b>32,180,952</b>

The accompanying notes form part of these financial statements.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

		Issued capital	Accumulated losses	Profits reserve	Total equity
	Note	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>		<b>31,920,498</b>	<b>(4,761,842)</b>	<b>7,850,109</b>	<b>35,008,765</b>
Loss for the year		-	(1,342,875)	-	(1,342,875)
Other comprehensive income for the year		-	-	-	-
<b>Transactions with owners:</b>					
Shares issued via DRP	9(a)	813,704	-	-	813,704
Dividends paid	4(a)	-	-	(2,298,642)	(2,298,642)
<b>Balance at 30 June 2023</b>		<b>32,734,202</b>	<b>(6,104,717)</b>	<b>5,551,467</b>	<b>32,180,952</b>
Profit for the year		-	2,340,605	-	2,340,605
Other comprehensive income for the year		-	-	-	-
<b>Transactions with owners:</b>					
Shares issued via DRP	9(a)	559,053	-	-	559,053
On-market share buy-back	9(a)	(473,456)	-	-	(473,456)
Dividends paid	4(a)	-	-	(2,029,272)	(2,029,272)
<b>Balance at 30 June 2024</b>		<b>32,819,799</b>	<b>(3,764,112)</b>	<b>3,522,195</b>	<b>32,577,882</b>

The accompanying notes form part of these financial statements.



# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Proceeds from the sale of investments		51,113,194	153,277,915
Payments for the purchase of investments		(69,678,391)	(156,027,512)
Dividends received		1,251,212	1,322,452
Interest received		552,845	388,994
Other income received		1,125	14,326
Management fees paid		(404,885)	(440,509)
Brokerage expenses on share purchases		(89,972)	(273,912)
Dividends on shorts		(254,142)	(230,028)
Finance costs		(351,028)	(269,720)
Income tax paid		(399,000)	(153,231)
Administration expenses paid		(272,905)	(404,893)
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	11(b)	<b>(18,531,947)</b>	<b>(2,796,118)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
On-market share buy-back		(473,456)	-
Dividends paid		(1,470,219)	(1,484,938)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,943,675)</b>	<b>(1,484,938)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS HELD</b>		<b>(20,475,622)</b>	<b>(4,281,056)</b>
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR		17,240,274	21,521,330
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR</b>	11(a)	<b>(3,235,348)</b>	<b>17,240,274</b>
<b>NON-CASH TRANSACTIONS:</b>			
Shares issued via dividend reinvestment plan	9(a)	559,053	813,704

The accompanying notes form part of these financial statements.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Cadence Opportunities Fund Limited (“the Company”) is a listed public company, incorporated and domiciled in Australia.

#### **Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations, issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Significant accounting policies adopted in the preparation of these financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared under the historical cost convention, except for, where applicable, cash flow information, “held-for-trading” financial assets and certain other financial assets and liabilities, which have been measured at fair value.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. The Company manages financial assets and financial liabilities at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1(i).

The financial statements are presented in Australian dollars, which is the Company’s functional and presentation currency.

The financial report was authorised for issue on 24th September 2024 by the Board of Directors.

#### **Accounting Policies**

##### **(a) Investments**

###### *i) Classification*

Investments consist of shares in publicly listed and unlisted companies and fixed interest securities.

Financial assets are classified ‘at fair value through profit or loss’ when they are held for trading for the purpose of short-term profit taking. Realised and unrealised gains and losses arising from changes in fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

The Company makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are classified as financial liabilities at fair value through the profit or loss.

###### *ii) Recognition and Initial Measurement*

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention. Trade date is the date on which the Company commits to purchase or sell the assets.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to the profit or loss immediately.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Investments (Continued)

##### ii) Recognition and Initial Measurement (Continued)

Financial assets are classified and measured at fair value with changes in value being recognised in the profit or loss.

##### iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

##### iv) Valuation

All investments are classified and measured at fair value, being market value, including the potential tax charges that may arise from the future sale of the investments. These fair value adjustments are recognised in the profit or loss. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments.

##### v) Investment Income

Dividend income is recognised in the profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

##### vi) Derivative Instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the profit or loss.

##### vii) Financial Liabilities

Borrowed stock is classified as financial liabilities at fair value through the profit or loss. Realised and unrealised gains and losses arising from changes in fair value are included in the profit or loss in the year in which they arise.

#### (b) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Income Tax (Continued)

are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable entity or different taxable entity's which intend to settle simultaneously.

#### (c) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within the current liabilities on the statement of financial position.

#### (d) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is expected for more than 12 months after the reporting date.

#### (e) Trade and Other Payables

These amounts represent liabilities for outstanding settlements as well as services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at nominal amounts and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. The carrying amount of trade and other payables represent their fair value.

#### (f) Impairment

At each reporting date, the Company shall measure the loss allowance on financial assets at amortised cost (cash due from broker and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

#### (g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Comparative Figures

Where required by accounting standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

#### (i) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

#### *Income tax*

The entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on the Company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Future taxable amounts are determined based on the historical performance of the Company. Deferred tax assets are reviewed at each reporting period.

Other than discussed above, there are no estimates or judgements that have a material impact on the Company's financial results for the period ended 30 June 2024 (2023: none). All material financial assets are valued by reference to quoted prices and therefore no significant estimates or judgements are required in respect of their valuation.

#### (j) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (k) Profits Reserve

The profits reserve is made up of amounts transferred from earnings that are preserved for future dividend payments.

#### (l) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

#### (m) Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### (n) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning on 1 July 2023 that has had a material impact on the accounts recognised in the prior periods or will affect the current or future periods.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective at 30 June 2024. These have not been early adopted in preparing these financial statements and are not expected to have a material impact when adopted.

<b>2. AUDITOR'S REMUNERATION</b>	<b>2024</b>	<b>2023</b>
Remuneration of the auditor of the Company for:	\$	\$
Audit and review the financial report:		
- HLB Mann Judd Assurance (NSW) Pty Ltd	45,000	-
- Pitcher Partners Sydney	5,898	76,140
<b>Non-audit Services</b>		
Other services provided by a related practice of the auditor:		
Taxation services	20,385	19,760
	<u>71,283</u>	<u>95,900</u>

### 3. TAXATION

#### (a) Current Income Tax Expense/ (Benefit)

The prima facie tax on profit/ (loss) from ordinary activities before income tax is reconciled to the income tax expense/ (benefit) as follows:

Prima facie tax expense/ (benefit) on profit/ (loss) from ordinary activities before income tax at 30%	877,255	(691,578)
Imputation credit gross up	116,383	120,575
Franked dividends received – current year	(387,942)	(401,917)
Foreign tax gross up	3,255	5,890
Foreign tax credits on dividends received – current year	(10,849)	-
Other	(14,524)	4,645
	<u>583,578</u>	<u>(962,385)</u>
Effective tax rate	20.0%	(41.7%)

The effective tax rate for FY2024 is 20.0% reflecting the benefit to the Company of franking credits received on dividend income during the year.

#### Total income tax expense/ (benefit) results in a:

Current tax asset expense	636,361	-
Movement in deferred tax assets/liabilities	(52,783)	(962,385)
	<u>583,578</u>	<u>(962,385)</u>

#### (b) Deferred Tax Asset

Provisions	12,032	13,859
Capitalised share issue costs	34,008	51,897
Fair value adjustment	(277,576)	(335,552)
Tax losses	1,581,273	1,566,753
	<u>1,349,737</u>	<u>1,296,957</u>

#### Movement in deferred tax asset

Balance at the beginning of the year	1,296,957	332,239
Credited to the profit or loss	52,783	962,385
Movement relating to (over)/ under adjustment	(3)	2,333
	<u>1,349,737</u>	<u>1,296,957</u>

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

3. TAXATION (Continued)	2024	2023
	\$	\$
<b>(c) Current Tax (Liability)/ Asset</b>		
<b>Movement in current tax (liability)/ asset</b>		
Balance at the beginning of the year	207,104	56,203
Current year income tax on operating profit	(636,361)	-
Income tax paid	608,434	209,434
Income tax received	(209,434)	(56,203)
Prior year under/(over)	-	(2,330)
	<u>(30,257)</u>	<u>207,104</u>

### 4. DIVIDENDS

#### (a) Dividends paid

Dividends paid by the Company	<u>2,029,272</u>	<u>2,298,642</u>
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#### 2024

Dividends paid by the Company for the year ended 30 June 2024	Cents Per Share	Date of payment	Tax Rate for franking Credit	% franked	Total Amount \$
Interim 2024 Ordinary	6.5	30 April 24	30%	100%	1,014,636
Final 2023 Ordinary	6.5	31 October 23	30%	100%	1,014,636
<b>Total Amount</b>					<u><u>2,029,272</u></u>

#### 2023

Dividends paid by the Company for the year ended 30 June 2023	Cents Per Share	Date of payment	Tax Rate for franking Credit	% franked	Total Amount \$
Interim 2023 Ordinary	7.5	28 April 23	30%	100%	1,156,095
Final 2022 Ordinary	7.5	28 October 22	30%	100%	1,142,547
<b>Total Amount</b>					<u><u>2,298,642</u></u>

#### (b) Dividend franking account

2024	2023
\$	\$

The balance of the franking account at year end is adjusted for franking credits and debits arising from receipts or payments of income tax and franking credits arising from dividends receivable.

<u>1,118,041</u>	<u>1,200,786</u>
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Subsequent to the reporting period, the franking account would be reduced by the proposed dividend disclosed in (c) and be increased by any taxation payments made. The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from investments and the Company paying tax.

#### (c) Dividends not recognised during the period

On 16 August 2024, the Directors declared a fully franked final dividend of 7.0 cents per share payable on 31 October 2024. The Ex-Date for the dividend is 15 October 2024.

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>5. TRADE AND OTHER RECEIVABLES</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	63,800	462,448
Income receivable	-	44,228
Sundry debtors	15,092	13,304
	<u><b>78,892</b></u>	<u><b>519,980</b></u>

Trade debtors relate to outstanding settlements, are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 2 days of the purchase being executed. Any expected credit loss on trade and other receivables is not material.

Income receivable relates to accrued interest income, it is non-interest bearing and is unsecured.

## 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Long positions - held for trading financial assets:

Listed Investments at fair value	35,463,031	18,085,246
Swap positions at fair value	160,543	-
	<u><b>35,623,574</b></u>	<u><b>18,085,246</b></u>

## 7. TRADE AND OTHER PAYABLES

Trade creditors	-	1,335,558
Dividends payable on shorts	-	12,035
Sundry creditors - related parties	78,571	41,868
Sundry creditors - other	83,017	62,051
	<u><b>161,588</b></u>	<u><b>1,451,512</b></u>

Trade creditors relate to outstanding settlements. They are non-interest bearing and are secured by the Australian Securities Exchange – National Guarantee Fund. They are settled within 2 days of the purchase being executed.

Sundry creditors – related parties, includes fees payable of \$78,571 (inclusive of GST) (2023: \$41,868) to the manager, Cadence Asset Management Pty Limited.

Sundry creditors – other, are settled within the terms of payment offered, which is usually within 30 days.

## 8. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Short positions - held for trading financial liabilities:

Listed investments at fair value	<u><b>1,047,128</b></u>	<u><b>3,717,097</b></u>
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The Company's Financial Assets and Cash are used as collateral for its Financial Liabilities. Refer to Note 13(b) for further information on Credit Risk.



# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

9. ISSUED CAPITAL	2024	2023
	\$	\$
<b>(a) Paid-up Capital</b>		
Ordinary shares fully paid	33,028,501	32,942,904
Capitalised share issue costs	(298,146)	(298,146)
Deferred tax asset on capitalised share issue costs	89,444	89,444
	<u><b>32,819,799</b></u>	<u><b>32,734,202</b></u>

2024 Date	Details	Share Price \$	No. of Shares	Issue value \$
Balance at beginning of the year			<b>15,609,770</b>	<b>32,942,904</b>
October 2023	Shares issued via DRP	\$1.72235	88,390	152,238
October 2023	On-market share buy-back	\$1.71665	(8,991)	(15,434)
November 2023	On-market share buy-back	\$1.66275	(14,221)	(23,646)
December 2023	On-market share buy-back	\$1.61511	(8,178)	(13,208)
January 2024	On-market share buy-back	\$1.60015	(19,428)	(31,088)
February 2024	On-market share buy-back	\$1.67116	(37,572)	(62,789)
April 2024	Shares issued via DRP	\$1.80507	225,382	406,815
May 2024	On-market share buy-back	\$1.71075	(95,433)	(163,262)
June 2024	On-market share buy-back	\$1.73185	(94,713)	(164,029)
			<u><b>15,645,006</b></u>	<u><b>33,028,501</b></u>

2023 Date	Details	Share Price \$	No. of Shares	Issue value \$
Balance at beginning of the year			<b>15,233,945</b>	<b>32,129,200</b>
October 2022	Shares issued via DRP	\$2.2367	180,640	404,015
April 2023	Shares issued via DRP	\$2.0918	195,185	409,689
			<u><b>15,609,770</b></u>	<u><b>32,942,904</b></u>

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

### (b) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. There has been no change in the strategy adopted by the Board to control the capital of the Company. The Company is not subject to any externally imposed capital requirements.

On 6 October 2023, the Company announced the approval of an on-market share buy-back of up to 600,000 of its ordinary shares. The share buy-back period commenced on 20 October 2023 and is due to finish on 18 October 2024.

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>10. PROFITS RESERVE</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profits Reserve	<u>3,522,195</u>	<u>5,551,467</u>
<b>Movement in Profits Reserve</b>		
Opening balance	5,551,467	7,850,109
Dividends paid (Note 4)	<u>(2,029,272)</u>	<u>(2,298,642)</u>
	<u>3,522,195</u>	<u>5,551,467</u>

The Profit Reserve is made up of amounts transferred from earnings that are preserved for future dividend payments.

### 11. CASH FLOW INFORMATION

#### (a) Reconciliation of cash

Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	3,469,417	21,196,633
Cash overdrafts	<u>(6,704,765)</u>	<u>(3,956,359)</u>
	<u>(3,235,348)</u>	<u>17,240,274</u>

The weighted average interest rate for cash and cash equivalents as at June 2024 is 4.0% (June 2023: 4.0%). The weighted average interest rate for cash overdrafts as at June 2024 is 6.0% (June 2023: 6.0%). The Company has Prime Brokerage facilities, including lending, and Custody arrangements with BNP Paribas. The Prime Brokerage facilities are secured by a first charge over the financial assets of the Company.

The Company has granted a charge over all of the Company's right, title and interest in the assets transferred to the Prime Broker. This includes those transferred to the Custodians and sub-custodians in accordance with Prime Brokerage Agreements, and any right which arises after the date of the charges to receive cash or return of property from the parties under the Prime Brokerage Agreement, as security for payments and performance by the Company of all of its obligations to the Prime Brokers under the Prime Brokerage Agreement.

#### (b) Reconciliation of Operating Profit/ (Loss) after Income Tax

Operating profit/ (loss) after income tax	2,340,605	(1,342,875)
Movement in fair value on financial assets and liabilities	(20,208,297)	(1,289,240)
<b>Changes in assets and liabilities:</b>		
Decrease in trade and other receivables	443,293	2,337,517
Decrease in trade and other payables	(1,292,129)	(1,385,901)
Increase in current tax liability/ (asset)	237,361	(150,901)
Increase in deferred tax asset	<u>(52,780)</u>	<u>(964,718)</u>
<b>Net cash used by Operating Activities</b>	<u>(18,531,947)</u>	<u>(2,796,118)</u>

#### (c) Non-cash Financing Activities

During the financial year and previous financial year the Company issued the following shares through its Dividend Reinvestment Plan:

- 225,382 shares at \$1.80507 on 30 April 2024
- 88,390 shares at \$1.72235 on 31 October 2023
- 195,185 shares at \$2.0918 on 28 April 2023
- 180,640 shares at \$2.2367 on 28 October 2022

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

<b>12. EARNINGS PER SHARE</b>	<b>2024</b>	<b>2023</b>
	<b>Cents per</b>	<b>Cents per</b>
	<b>Share</b>	<b>Share</b>
Basic earnings/ (loss) per share	15.0	(8.7)
Diluted earnings/ (loss) per share	15.0	(8.7)
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Profit/ (loss) after income tax used in the calculation of earnings per share	<u>2,340,605</u>	<u>(1,342,875)</u>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	<u>15,651,437</u>	<u>15,388,886</u>
Weighted average number of ordinary shares during the year used in calculation of diluted earnings per share	<u>15,651,437</u>	<u>15,388,886</u>
<u>Reconciliation of weighted average number of shares:</u>		
Weighted average number of ordinary shares used in calculation of basic earnings per share	<u>15,651,437</u>	<u>15,388,886</u>
Add:		
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	<u>-</u>	<u>-</u>
Weighted average number of shares used in the calculation of diluted earnings per share	<u><u>15,651,437</u></u>	<u><u>15,388,886</u></u>

As at the end of the year, there are no outstanding securities that are potentially dilutive in nature for the Company.

### 13. FINANCIAL RISK MANAGEMENT

#### Financial Risk Management Policies

The Company's financial instruments consist of money market instruments, short and long term investments, accounts receivable and payable.

#### Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk, foreign currency risk and market price risk.

#### (a) Terms, Conditions and Accounting Policies

The Company's accounting policies are included in Note 1, while the terms and conditions including interest rate risk of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date are included under the appropriate note for that instrument.

#### (b) Credit Risk

The Company takes on exposure to credit risk, which is the risk that a counterparty (prime broker, custodian, sub-custodian and broker) will be unable to pay amounts in full when due. The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

All transactions in listed securities are settled /paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### **13. FINANCIAL RISK MANAGEMENT(Continued)**

#### **(b) Credit Risk (Continued)**

There are risks involved in dealing with custodians or prime brokers who settle trades. Under certain circumstances, including certain transactions where the Company's assets are pledged as collateral for leverage from a prime broker/custodian, or where the Company's assets are held at a prime broker, custodian or sub-custodian, the securities and assets deposited with the prime broker/custodian may be exposed to a credit risk with regards to such parties. In addition, there may be practical or timing problems associated with enforcing the Company's rights to its assets in case of an insolvency of any such party.

The Company maintains Prime Brokerage facilities, including lending, and Custody facilities with its prime broker and custodian BNP Paribas. There is no guarantee that these or any sub-custodian that BNP Paribas may use or any other prime broker or custodian that the Company may use from time to time, will not become insolvent. In the event of an insolvency or liquidation of a prime broker or custodian that is being used by the Company, there is no certainty that the Company would not incur losses due to its assets being unavailable for a period of time or ultimately less than full recovery of its assets, or both. As substantially all of the Company's assets may be held by a prime broker, custodian or sub-custodian and in some cases a major Australian bank, such losses could be significant and materially impair the ability of the Company to achieve its investment objective.

Any cash held by BNP Paribas is not treated as client money, but rather held as collateral and is not subject to the client monies protections conferred by the Financial Conduct Authority rules relating to client money. As a consequence, the Company's money is held by the Prime Broker as banker and not as a trustee or agent and the Prime Broker will not be required to place the Fund's money in a segregated client account, and the Company will therefore rank equally with BNP Paribas's other account holders in relation thereto.

#### **(c) Liquidity Risk**

Liquidity risk represents the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the levels of which are managed by the Board and the management company. The Company's inward cash flows depend upon the level of sales of securities, dividends, interest received and any exercise of options that may be on issue.

The Company monitors its cashflow requirements daily by reference to known transactions to be paid or received. The Company may hold a portion of its portfolio in cash and short-term fixed interest securities sufficient to ensure that it has cash available to meet all payments. Alternatively, the Company can increase its level of sales of the readily tradeable securities it holds to increase cash inflows or it can use its lending facility with its Prime Broker.

#### **(d) Market Price Risk**

Market price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. By its nature, as an investment company that invests in tradeable securities, the Company will always be subject to market price risk as it invests its capital in securities which are not risk free as the market price of these securities can fluctuate.

The Company can seek to reduce market price risk by not being overly exposed to one company or one particular sector of the market. The Company does not have set parameters as to a minimum or maximum amount of the portfolio that can be invested in a single company or sector. The Company monitors its gross and net exposures to the market on a daily basis.

#### **(e) Foreign Currency Risk**

The Company undertakes certain transactions and holds assets and liabilities denominated in currencies other than Australian Dollar (AUD), the reporting currency of the Company. The Company is therefore exposed to currency risk, as the value of the assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 13. FINANCIAL RISK MANAGEMENT (Continued)

#### (e) Foreign Currency Risk (Continued)

The following table summarises the net amount of assets and liabilities which are denominated in currencies that the Company is significantly exposed to:

	<b>2024</b>	<b>2023</b>
<i>United States Dollar</i>		
Investments	USD2,240,431	USD1,639,489
Bank Overdraft	USD(2,336,190)	USD(1,692,460)
	<u>USD(95,759)</u>	<u>USD(52,971)</u>
AUD Equivalent	<u>AUD(143,567)</u>	<u>AUD(79,460)</u>
<i>Canadian Dollar</i>		
Investments	CAD3,915,542	CAD1,117,265
Bank Overdraft	CAD(2,773,924)	CAD(1,120,104)
	<u>CAD1,141,618</u>	<u>CAD(2,839)</u>
AUD Equivalent	<u>AUD1,251,225</u>	<u>AUD(3,217)</u>

#### (f) Interest Rate Risk

Any excess cash and cash equivalents of the Company are invested at short-term market interest rates. Floating rate instruments expose the Company to cash flow risk, whereas short term fixed rate instruments expose the Company to interest rate risk. Excess cash and cash equivalent balances are monitored closely and can be moved into short-term bank bills or fixed term deposits.

#### (g) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as the Company's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the Statement of Financial Position.

2024	Weighted Average Interest Rate	Interest Bearing		Non-interest bearing \$	Total \$
		Less than 90 days \$	More than 1 year \$		
<b>Assets</b>					
Financial assets	-	-	-	35,623,574	35,623,574
Cash and cash equivalents	4.0%	3,469,417	-	-	3,469,417
Trade Debtors(<90 days)	-	-	-	63,800	63,800
Other receivables	-	-	-	15,092	15,092
<b>Total assets</b>		<b>3,469,417</b>	<b>-</b>	<b>35,702,466</b>	<b>39,171,883</b>
<b>Liabilities</b>					
Financial liabilities	-	-	-	1,047,128	1,047,128
Cash overdrafts	6.0%	6,704,765	-	-	6,704,765
Other payables	-	-	-	161,588	161,588
<b>Total liabilities</b>		<b>6,704,765</b>	<b>-</b>	<b>1,208,716</b>	<b>7,913,481</b>

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 13. FINANCIAL RISK MANAGEMENT (Continued)

#### (g) Financial instrument composition and maturity analysis (Continued)

2023	Weighted Average Interest Rate	Interest Bearing		Non- interest bearing \$	Total \$
		Less than 90 days \$	More than 1 year \$		
<b>Assets</b>					
Financial assets	-	-	-	18,085,246	18,085,246
Cash and cash equivalents	4.0%	21,196,633	-	-	21,196,633
Trade Debtors(<90 days)	-	-	-	462,448	462,448
Other receivables	-	-	-	57,532	57,532
<b>Total assets</b>		<b>21,196,633</b>	<b>-</b>	<b>18,605,226</b>	<b>39,801,859</b>
<b>Liabilities</b>					
Financial liabilities	-	-	-	3,717,097	3,717,097
Cash overdrafts	6.0%	3,956,359	-	-	3,956,359
Trade Creditors(<90 days)	-	-	-	1,335,558	1,335,558
Other payables	-	-	-	115,954	115,954
<b>Total liabilities</b>		<b>3,956,359</b>	<b>-</b>	<b>5,168,609</b>	<b>9,124,968</b>

#### (h) Financial Instruments Measured at Fair Value

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1:** Quoted prices in active markets for identical assets or liabilities.
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Level 3:** Inputs for the asset or liability are not based on observable market data (unobservable inputs).

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

Investments included in Level 2 of the hierarchy include amounts in relation to Contracts for Difference. The fair value of Contracts for Difference have been determined using market inputs of the underlying investments

Level 3 asset class is made of a pre-IPO investment in a company that operates in the energy sector. This investment was purchased during last financial year and is valued at cost. Level 3 asset class also includes unlisted options, warrants and special shares that were valued as at 30 June 2024 at 'nil' The unlisted options and warrants were received during the past financial year whilst the unlisted special shares were held by the company last year at 30 June 2023 and were also valued at that date at 'nil'.

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 13. FINANCIAL RISK MANAGEMENT (Continued) (h) Financial Instruments Measured at Fair Value

30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	35,143,031	160,543	320,000	35,623,574
Financial liabilities	(1,047,128)	-	-	(1,047,128)
<b>Total</b>	<b>34,095,903</b>	<b>160,543</b>	<b>320,000</b>	<b>34,576,446</b>

30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets	18,085,246	-	-	18,085,246
Financial liabilities	(3,717,097)	-	-	(3,717,097)
<b>Total</b>	<b>14,368,149</b>	<b>-</b>	<b>-</b>	<b>14,368,149</b>

### (i) Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and market price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

#### *Interest Rate Sensitivity Analysis*

The sensitivity analyses below have been determined based on the Company's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period. The effect on profit/(loss) and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2024 \$	2023 \$
Change in profit before tax		
- Increase in interest rate by 1%	67,890	100,249
- Decrease in interest rate by 1%	(67,890)	(100,249)
Change in equity		
- Increase in interest rate by 1%	47,523	70,174
- Decrease in interest rate by 1%	(47,523)	(70,174)

#### *Foreign Currency Risk Sensitivity Analysis*

At 30 June 2024, the effect on profit and equity as a result of changes in the foreign currency risk, with all other variables remaining constant would be as follows:

	2024 \$	2023 \$
Change in profit before tax		
- Depreciation of the AUD by 2%	18,974	(4,616)
- Appreciation of the AUD by 2%	(18,974)	4,616
Change in equity		
- Depreciation of the AUD by 2%	13,282	(3,231)
- Appreciation of the AUD by 2%	(13,282)	3,231

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 13. FINANCIAL RISK MANAGEMENT (Continued)

#### (i) Sensitivity Analysis (Continued)

##### Market Price Risk Sensitivity Analysis

At 30 June 2024, the effect on profit and equity as a result of changes in the market price risk, with all other variables remaining constant would be as follows:

	2024	2023
	\$	\$
Change in profit before tax		
- Increase in market price by 2%	656,827	287,363
- Decrease in market price by 2%	(656,827)	(287,363)
Change in equity		
- Increase in market price by 2%	459,779	201,154
- Decrease in market price by 2%	(459,779)	(201,151)

### 14. KEY MANAGEMENT PERSONNEL COMPENSATION

The names and position held of the Company's key management personnel (including Directors) in office at any time during the financial year are:

Karl Siegling	Chairman
Wayne Davies	Non-Executive Director and Company Secretary
Susan Oakes	Non-Executive Director
Jolanta Masojada	Non-Executive Director

#### (a) Remuneration

There are no executives that are paid by the Company. Cadence Asset Management Pty Limited, the investment manager of the Company provides day to day management of the Company and is remunerated as outlined in Note 15 – Related Party Transactions.

	2024	2023
	\$	\$
Short-term Employee Benefits - Directors' Fees	67,568	67,873
Post-employment Benefits - Superannuation	7,432	7,127
	<u>75,000</u>	<u>75,000</u>

#### (b) Compensation Practices

The Board from time to time determines remuneration of Non-Executive Directors within the maximum amount approved by the shareholders. Non-Executive Directors are not entitled to any other remuneration.

Fees and payments to Non-Executive Directors reflect the demands that are made on, and the responsibilities of, the Directors and are reviewed annually by the Board. The Company determines the remuneration levels and ensures they are competitively set to attract and retain appropriately qualified and experienced Directors.

Directors' base fees are presently limited to a maximum of \$100,000 per annum between the Directors. Non-Executive Directors do not receive bonuses nor are they issued options on securities. Directors' fees cover all main board activities and membership of committees. Directors' fees are not linked to the performance of the Company.



# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 14. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

As at 30 June 2024, the Company's key management personnel indirectly held the following shares in the Company:

	Balance at 1 July 2023	Acquisitions	Disposals	Balance at 30 June 2024
<b>Shareholdings</b>				
Karl Siegling	3,350,330	400,675	-	3,751,005
Wayne Davies	131,962	9,910	-	141,872
Jolanta Masojada	11,587	870	-	12,457
Susan Oakes	34,486	2,590	-	37,076
	<u>3,528,365</u>	<u>414,045</u>	<u>-</u>	<u>3,942,410</u>

Directors and Director related entities disposed of and acquired ordinary shares in the Company on the same terms and conditions available to other shareholders. The Directors have not, during or since the end of the financial year, been granted options over unissued shares or interests in shares of the Company as part of their remuneration.

As at 30 June 2023, the Company's key management personnel indirectly held the following shares in the Company:

	Balance at 1 July 2022	Acquisitions	Disposals	Balance at 30 June 2023
Karl Siegling	3,129,811	220,519	-	3,350,330
Wayne Davies	123,276	8,686	-	131,962
Jolanta Masojada	10,824	763	-	11,587
Susan Oakes	32,216	2,270	-	34,486
	<u>3,296,127</u>	<u>232,238</u>	<u>-</u>	<u>3,528,365</u>

### 15. RELATED PARTY TRANSACTIONS

All transactions with related entities were made on normal commercial terms and conditions.

Karl Siegling is the sole Director and a beneficial owner of Cadence Asset Management Pty Limited, the entity appointed to manage the investment portfolio of Cadence Opportunities Fund Limited. In its capacity as Manager, Cadence Asset Management Pty Limited was entitled to a management fee of \$439,180 (inclusive of GST) (2023: \$467,941). This is equivalent to 0.104% of the value of the portfolio calculated on the last business day of each month. Over a full year, the monthly management fee will be comparable to a fee of 1.25% of the gross value of the portfolio per annum. As at 30 June 2024, the management fee payable to the Manager was \$39,619 (2023: \$35,268).

The duties of the Manager are to manage the portfolio and to manage and supervise all investments, maintain the corporate and statutory records of the Company, liaise with the ASX with respect to compliance with the ASX listing rules, liaise with ASIC with respect to compliance with the *Corporations Act* and liaise with the share registrar of the Company.

In addition, Cadence Asset Management Pty Limited is to be paid, annually in arrears, a performance fee, being 15% (plus GST) of the amount of the increase in the value of the portfolio. No performance fee is payable in respect of any performance period, where the portfolio has decreased in value over that period.

For the year ended 30 June 2024, \$32,352 (inclusive of GST) (2023: nil). was payable to Cadence Asset Management Pty Limited. As at 30 June 2024, the balance payable to the Manager was \$32,352 (2023: nil).

Cadence Asset Management Pty Limited employs accounting personnel to provide accounting services to Cadence Opportunities Fund Limited. These services are provided on commercial terms and include a standard charge of \$4,180 (inclusive of GST) per month and an increased charge of \$6,600 (inclusive of GST) is charged for preparing the half year and full year financial statements. As at 30 June 2024, the balance payable to the Manager for these services was \$6,600 (2023: \$6,600).

# CADENCE OPPORTUNITIES FUND LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

### 16. EVENTS AFTER THE REPORTING PERIOD

On 16 August 2024, the Board declared a 7.0 cents per share fully franked final dividend payable on the 31 October 2024. The Ex-Date for the dividend is 15 October 2024.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of material and unusual nature likely, in the opinion of the Company, to significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity, in future financial years.

### 17. CONTINGENT LIABILITIES

There were no material contingencies as at 30 June 2024 (2023: nil).

### 18. CAPITAL COMMITMENTS

Capital commitments exist for placements entered into before 30 June 2024, which settle after year end.

	2024	2023
	\$	\$
	-	47,897

### 19. SEGMENT REPORTING

The Company has only one segment. The Company operates predominately in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the sale of its financial assets at fair value through profit or loss, however the Company has foreign exposures as it invests in securities which are listed Internationally.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Cadence Opportunities Fund Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the *Corporations Act 2001* does not apply to the Company.

# CADENCE OPPORTUNITIES FUND LIMITED

A.B.N. 37 627 359 166

## DIRECTORS' DECLARATION

The Directors of Cadence Opportunities Fund Limited declare that:

1. The financial statements as set out in pages 13 to 33 and the additional disclosures included in the Directors' Report designated as 'Remuneration Report', as set out on pages 8 to 9 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Australian Accounting Standards, which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the financial position of the Company as at 30 June 2024 and of its performance for the year ended on that date.

2. The Directors have been given declaration required by section 295A of the *Corporations Act 2001* from the Manager, Cadence Asset Management Pty Limited declaring that:

- (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
- (b) the financial statements and notes for the financial year comply with the Accounting Standards;
- (c) the financial statements and notes for the financial year give a true and fair view; and
- (d) the information disclosed in the consolidated entity disclosure statement is true and correct.

3. At the date of this declaration, in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



**Karl Siegling**  
Director

Dated in Sydney, this 24th day of September 2024

**INDEPENDENT AUDIT REPORT  
TO MEMBERS OF  
CADENCE OPPORTUNITIES FUND LIMITED  
A.B.N. 37 627 359 166**

**Independent Auditor’s Report to the Members of Cadence Opportunities Fund Limited**

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Cadence Opportunities Fund Limited (“the Company”) which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement 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 2024 and of its financial performance for the year then ended; 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* (“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 period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<b><i>Existence and Valuation of Cash and Investments</i></b>	
At 30 June 2024, the Company held “Cash and Cash Equivalents” of \$3,469,417 and “Financial assets at fair value through profit or loss” of \$35,623,574, which have been included in the Company’s Statement of Financial Position at that date.	We confirmed the Existence of the Cash and Investments with the Custodian, and the Valuation of the Investments using both the Custodian and third party valuation information for listed securities, as well as management’s valuation for unlisted securities.
As disclosed in Note 1 to the financial report, investments are initially held at fair value through profit or loss including any transaction costs. Subsequent to initial recognition they are accounted for at fair value,	

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with changes in those values recognised in profit or loss.

We considered these areas to be key audit matters due to the size of the amounts involved.

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***Completeness of Interest Bearing Liabilities and Other Financial Liabilities***

At 30 June 2024, the Statement of Financial Position shows “Bank overdrafts of \$6,704,765 and “Financial liabilities at fair value through profit or loss” of \$1,047,128.

We confirmed with the Custodian that all interest bearing liabilities and other financial liabilities had been recognised.

We considered this area to be a key audit matter due to the potential size of the liabilities.

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***Completeness and Occurrence of Performance and Management Fees***

The Company has an agreement with its Investment Manager, Cadence Asset Management Pty Limited, to pay management fees and, depending on performance, performance fees to Cadence Asset Management Pty Limited.

We obtained copies of the Investment Manager’s calculation of the performance and management fees. We reviewed the calculation of the fees, ensuring that the rates used were those in the agreement.

For the year ended 30 June 2024, the Company incurred “performance fees” of \$30,147 and “management fees” of \$409,236 which have been included in the Company’s Statement of Profit or Loss and Other Comprehensive Income.

We confirmed with the Investment Manager that the expense recognised by the Company reconciled to the income received by the Investment Manager.

We focused on this area as a key audit matter as the agreement is with the Investment Manager of the Company.

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**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 2024, 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.

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:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- (b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related 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 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period 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 REMUNERATION REPORT**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 8 to 9 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of the Company for the year ended 30 June 2024 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.



**HLB Mann Judd Assurance (NSW) Pty Ltd**  
**Chartered Accountants**

**Sydney, NSW**  
**24 September 2024**



**K L Luong**  
**Director**



## ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

## SHAREHOLDINGS

### Substantial shareholders (as at 31 August 2024)

The following shareholders have advised that they are a substantial shareholder of Cadence Opportunities Fund Limited. The holding of a relevant interest does not infer beneficial ownership. Where two or more parties have a relevant interest in the same shares, those shares have been included for each party.

<b>Substantial ordinary shareholders as at ex-date</b>	<b>No. of shares</b>	<b>% of total</b>
Esselmont Pty Ltd & associated entities	3,856,530	24.706

<b>Distribution of shareholders (as at 31 August 2024)</b>	<b>No. of shareholders</b>
1 – 1,000	71
1,001 – 5,000	216
5,001 – 10,000	110
10,001 – 100,000	238
100,001 and over	19
	654

The number of shareholdings held in less than marketable parcels is 13.

## Twenty largest shareholders - Ordinary shares (as at 31 August 2024)

Name	Number of ordinary shares held	Percentage of issued capital held
Esselmont Pty Ltd and associates	3,856,530	24.706%
Ms Nicole Gallin & Mr Kyle Haynes <GH Super Fund A/C>	550,000	3.523%
Mr Cameron Mcfarlane <Mcfarlane Super Fund A/C>	454,080	2.909%
Obtainium Pty Limited	386,440	2.476%
Melacca Pty Ltd <Uber Super Fund A/C>	250,000	1.602%
Chillara Investments Pty Ltd <Chillara Investments A/C>	186,667	1.196%
Mr Neville Collins & Mrs Judith Collins <Nj Collins P/L Prac S/F A/C>	162,368	1.040%
Mr Luke Keighery & Mrs Angela Keighery <L&A Keighery S/F A/C>	151,996	0.974%
Mr Charles Akrill Mitchell	145,984	0.935%
Lazy Vee Pty Ltd <Lazy Vee Super A/C>	145,328	0.931%
Andonandon Pty Limited <Andonandon Super Fund>	141,872	0.909%
Srog Investments Pty Ltd	120,000	0.769%
Mudspec Pty Ltd <Super Fund A/C>	120,000	0.769%
Auridium Pty Ltd <Heath Family S/F A/C>	119,399	0.765%
Mr Allan Ross Lanes	104,260	0.668%
Mr Stephan Stapmanns & Mrs Tina Stapmanns	103,672	0.664%
Glenn Bakyew Pty Ltd <Glenn Bakyew Pty Ltd S/F AC>	96,578	0.619%
Obtainium Pty Limited <Obtainium Super Fund A/C>	94,779	0.607%
Ms Carolyn Earl & Mr John Nissen <Earl's Enterprises SMSF A/C>	90,200	0.578%
Robinson Page Management Pty Ltd <Beggs-Page Super Fund A/C>	90,000	0.577%
	<u>7,370,153</u>	<u>47.217%</u>

## STOCK EXCHANGE LISTING

Quotation has been granted for all of the ordinary shares of the Company on all Member Exchanges of the ASX Limited.