THORNEY TECHNOLOGIES LTD
(formerly Australian Renewable Fuels Limited)
ACN 096 782 188

ASX Announcement: **15 December 2016** ASX Code: **ARW**

APPENDIX 4D / DECEMBER 2015 HALF YEAR ACCOUNTS

Please note that the 2016 Annual Report (full year audited financial statements) was lodged by the Company on 11 November 2016. You can find a copy here.

The 31 December 2015 half-year financial reports were not prepared at the time due to the Company being in Administration.

Please direct enquiries to:
Craig Smith
Company Secretary
craig.smith@thorney.com.au

Thorney Technologies Ltd

(formerly Australian Renewable Fuels Limited)

ABN 66 096 782 188

Appendix 4D

and

31 December 2015

Half-year financial report

Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited)

ABN 66 096 782 188

Appendix 4D

For the half-year ended 31 December 2015
Previous corresponding period: half-year ended 31 December 2014

Results for announcement to the market

	31 Dec 2015 $A'000	31 Dec 2014 $A'000	Up/ Down	% Movement
Revenue from ordinary activities	0	27,046	Down	100%
(Loss)/profit from ordinary activities after tax attributable to members	(16,164)	315	Down	5,231%
Net (loss)/ profit for the period attributable to members	(16,164)	315	Down	5,231%

No dividends have been declared for the half-year ended 31 December 2015.

Additional information

	31 Dec 2015	31 Dec 2014
Net tangible assets per ordinary security	9 cents per share	47 cents per share

This information should be read in conjunction with the 2015 and 2016 Annual Reports of Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) and any public announcements made in the period by Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

This report is based on the consolidated 31 December 2015 half-year financial statements which have been reviewed by Ernst & Young with the independent auditor's report included in the 31 December 2015 half-year financial report.

Thorney Technologies Ltd

(formerly Australian Renewable Fuels Limited)

ABN 66 096 782 188

Corporate information

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

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

ASX code
ARW (shares suspended as at the date of this report)

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

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

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

Auditors
Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

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Directors' report

The Directors of Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) (ARW or Company) present the financial report of the Company for the half-year ended 31 December 2015.

The Directors in office during the financial year and at the date of this report (unless otherwise stated) were as follows:

Current Directors	Appointed	Position
Alan Fisher[1]	29 August 2014	Chairman[3]/Non-executive director
Martin Casey	22 June 2016	Non-executive director
Craig Smith	22 June 2016	Non-executive director
Jeremy Leibler	9 December 2016	Non-executive director
Alex Waislitz	9 December 2016	Non-executive Chairman[3]
Former Directors	**Resigned/Retired**	
Andrew White[1]	22 June 2016	Non-executive director
Michael Costello[1]	22 June 2016	Non-executive director
Deborah Page[2]	23 October 2015	Non-executive director

[1] Director in office at the date the Company entered Voluntary Administration, 20 January 2016.
[2] Director retired from office at the conclusion of the 2015 Annual General Meeting.
[3] Alan Fisher retired as Chairman at the 2016 Annual General Meeting on 9 December 2016. Alex Waislitz was appointed Chairman on 9 December 2016

Principal activities

The principal activities of the Company for the half-year ended 31 December 2015 were the production and sale of Biodiesel.

Administration of the Company

On 20 January 2016 Directors determined that the business could not continue to fund its operations and immediately placed the Company into administration. On 21 January 2016 the directors placed the Company's operating subsidiaries into Administration.

The decision to place the Company into Administration was taken due to the culmination of a number of factors including declining world oil prices, feedstock supply pricing, continued financial stress brought on by destabilising uncertainty over the Federal Government's policies in regard to biodiesel grants and excise duty rates and increased reliance on the Company's debt providers.

Following the collapse of the operating businesses, control of all group assets and liabilities was transferred to the Administrators and Receivers. Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) did not receive monetary payments in respect of the loss of control of its assets and operating subsidiaries.

On 25 May 2016 a formal Deed of Company Arrangement (DOCA) proposal put forward by the Thorney Investment Group (Thorney) was fully supported by creditors and executed.

Pursuant to the DOCA, the Administrators applied the funds received from Thorney to the ARW Deed Fund and took steps to remove and appoint Directors.

The Administrators retired on 22 September 2016 and control reverted to the Directors.

Administration of the Company continued

On 12 October 2016 the Administrators of the subsidiary, Australian Renewable Fuels Picton Pty Ltd, retired and control of the Company reverted to its Director. Agreement on a number of matters has been reached between the Company and third parties including the transfer of ownership for a consideration of $40,000.

Changes in state of affairs

In January 2016 the Directors placed the Company, including its investment in operating subsidiaries, into administration. Control of all the assets and liabilities of the group were transferred to the independent Administrators and Receivers and Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) did not receive monetary payments in respect of the loss of control of its assets and operating subsidiaries.

On 4 May 2016 ARW creditors voted to approve a DOCA proposed by Thorney Investment Group and a deed was duly executed.

In September 2016 the Directors received a proposal from Thorney Investment Group to transform and recapitalise the Company into a managed Listed Investment Company. Directors formed the view that these proposals should be put before shareholders. Full details of the proposals were contained in the notice of meeting sent to all shareholders.

Business strategies and prospects

At the 2016 Annual General Meeting held on 15 December 2016, shareholders passed resolutions to recapitalise and transform the Company into a managed Listed Investment Company, managed by Thorney Management Services Pty Ltd and focusing on technology investments across all phases of the investment lifecycle.

The recapitalisation is via the Company's replacement prospectus dated 23 November 2016.

Subsequent events

In addition to the matters identified in the Administration of the Company note above, we report the following subsequent events:

Thorney Investment Group continues to fund the day-to-day operations of the Company including costs incurred for the 2016 Annual General Meeting.

Shareholders approved all 2016 Annual General Meeting resolutions and the Directors are currently managing the Prospectus recapitalisation program and preparing for re-listing on the ASX.

On 12 December 2016 the Company announced it had subscriptions in excess of $25 million which surpasses the minimum subscription threshold under the Prospectus.

There are no other significant events to report.

Environmental regulations

The Group’s operations are no longer subject to environmental regulation under Commonwealth and State legislation in relation to its manufacture of biodiesel following its main operating subsidiaries being placed into Receivership on 20 January 2016 and into Administration on 21 January 2016.

Dividends

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

Auditor’s independence declaration

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

On behalf of the Directors,

Alan Fisher
Director

Melbourne, 15 December 2016

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Auditor's Independence Declaration to the Members of Thorney Technologies Ltd

As lead auditor for the review of Thorney Technologies Ltd the half year ended 31 December 2015, I declare to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review*;* and

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

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

Ernst & Young

Kester Brown
Partner
15 December 2016

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2015

	Note	December 2015 $	December 2014 $
Continuing operations			
Corporate and administration expenses		**(2,652)**	(341)
Profit/(loss) before tax		**(2,652)**	(341)
Income tax expense		**-**	-
Profit/(loss) for the year from continuing operations		**(2,652)**	**(341)**
Discontinued operations			
Profit/(loss) after tax from discontinued operations	2	**(16,161,361)**	315,683
Profit/(loss) for the year		**(16,164,013)**	**315,342**
Other comprehensive income/(loss) for the year net of income tax		**-**	-
Total comprehensive income/(loss)for the year		**(16,164,013)**	**315,342**
Profit/(loss) for the year attributable to:			
Owners of the parent		**(16,163,893)**	315,513
Non-controlling interests		**(120)**	(171)
		(16,164,013)	**315,342**
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**(16,163,893)**	315,513
Non-controlling interests		**(120)**	(171)
		(16,164,013)	**315,342**
Earnings per share			
Basic, profit/(loss) for the year attributable to ordinary shareholders of the parent (dollars per share)	7	**(0.39)**	0.01
Diluted, profit/(loss) for the year attributable to ordinary shareholders of the parent (dollars per share)	7	**(0.39)**	0.01
Earnings per share from continuing operations:			
Basic, profit/(loss) from continuing operations attributable to ordinary shareholders of the parent (dollars per share)	7	**(0.00)**	(0.00)
Diluted, profit/(loss) from continuing operations attributable to ordinary shareholders of the parent (dollars per share)	7	**(0.00)**	(0.00)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position as at 31 December 2015

	Note	31 December 2015 $	30 June 2015 $
Current assets			
Cash and cash equivalents		**1,399,428**	1,736,289
Trade and other receivables		**2,043,919**	2,649,140
Inventories		**5,280,828**	5,800,827
Property, plant and equipment	4	**12,845,948**	-
Other		**601,758**	1,033,237
Total current assets		**22,171,881**	**11,219,493**
Non-current assets			
Property, plant and equipment	4	**-**	28,744,636
Other		**-**	553,156
Total non-current assets		**-**	**29,297,792**
Total assets		**22,171,881**	**40,517,285**
Current liabilities			
Trade and other payables		**5,128,368**	6,215,135
Convertible notes		**12,845,948**	-
Provisions		**491,750**	467,992
Total current liabilities		**18,466,066**	**6,683,127**
Non-current liabilities			
Provisions		**-**	48,073
Convertible notes		**-**	13,916,257
Total non-current liabilities		**-**	**13,964,330**
Total liabilities		**18,466,066**	**20,647,457**
Net assets		**3,705,815**	**19,869,828**
Equity			
Issued capital		**19,869,826**	19,869,826
Reserves		**-**	223,276
Retained Profits/ (Accumulated losses)		**(15,856,113)**	84,504
Equity attributable to owners of the company		**4,013,713**	20,177,606
Non-controlling interests		**(307,898)**	(307,778)
Total equity		**3,705,815**	**19,869,828**

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

Condensed consolidated statement of changes in equity for the half-year ended 31 December 2015

	Issued capital and contributed equity $	Employee share option reserve(i) $	Other Reserve $	Accumulated profits/(losses) $	Attributable to owners of the parent $	Non-controlling interests $	Total $
Balance at 1 July 2015	**19,869,826**	**223,276**	**-**	**84,504**	**20,177,606**	**(307,778)**	**19,869,828**
Profit/(loss) for the period	**-**	**-**	**-**	**(16,163,893)**	**(16,163,893)**	**(120)**	**(16,164,013)**
Total comprehensive income for the period	**-**	**-**	**-**	**(16,163,893)**	**(16,163,893)**	**(120)**	**(16,164,013)**
Options expired transferred to accumulated losses	**-**	**(223,276)**	**-**	**223,276**	**-**	**-**	**-**
Balance at 31 December 2015	**19,869,826**	**-**	**-**	**(15,856,113)**	**4,013,713**	**(307,898)**	**3,705,815**
Balance at 1 July 2014	135,944,302	1,334,505	1,105,706	(118,680,726)	19,703,787	(307,487)	19,396,300
Profit/(loss) for the period	-	-	-	315,513	315,513	(171)	315,342
Total comprehensive income for the period	-	-	-	315,513	315,513	(171)	315,342
Recognition of share-based payments	-	28,644	-	-	28,644	-	28,644
Balance at 31 December 2014	**135,944,302**	**1,363,149**	**1,105,706**	**(118,365,213)**	**20,047,944**	**(307,658)**	**19,740,286**

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

(i) The employee share options reserve arises on the grant of options to directors and employees under the share plan. Amounts are recognised in accordance with note 1(j).

Condensed consolidated statement of cash flows for the half-year ended 31 December 2015

	Note	December 2015 $	December 2014 $
Cash flows from operating activities			
Receipts from customers		**26,319,564**	29,480,161
Payments to suppliers and employees		**(25,150,560)**	(27,369,044)
Interest received		**4**	59
Interest paid		**(807,252)**	(811,306)
Net cash provided by/(used in) operating activities		**361,756**	1,299,870
Cash flows from investing activities			
Payments for plant and equipment		**(699,574)**	(226,727)
Net cash provided by/(used in) investing activities		**(699,574)**	(226,727)
Cash flows from financing activities			
Proceeds from borrowings		**-**	-
Net cash provided by financing activities		**-**	-
Net increase/(decrease) in cash and cash equivalents		**(337,818)**	1,073,143
Cash and cash equivalents at the beginning of the period		**1,736,289**	953,013
Effect of movement in exchange rates on cash balances		**957**	60,303
Cash and cash equivalents at the end of the period		**1,399,428**	**2,086,459**

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

Notes to the condensed consolidated financial statements

1. Significant accounting policies

General information

Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) is a listed public company incorporated in Australia. The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The principal activities of the Company and its subsidiaries are described in the Directors' report.

Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the financial statements, the Company is a for-profit entity.

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

The financial statements were authorised for issue by the Directors on 6 December 2016.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The principal accounting policies are set out below.

Going concern

As at 31 December 2015 the Company had net equity of $3,705,815 (2014: $19,740,286). The Company was placed in Administration in January 2016 and did not receive monetary payments in respect of the loss of control of its assets and operating subsidiaries. In May 2016 the Company entered a Deed of Company Arrangement with its creditors and these arrangements included a loan of $590,000 from Tiga Trading Pty Ltd, a company controlled by Thorney Investment Group.

1. Significant accounting policies (continued)

Going concern (continued)

The Directors have received a letter dated 22 September 2016 from Tiga Trading Pty Ltd which states financial support will be provided to the Company to meet liabilities as and when they fall due. This financial support lasts at least until the earlier of 31 December 2017 and the completion of a capital raising by Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) as proposed by Thorney Investment Group.

On 12 December 2016 the Company announced it had subscriptions in excess of $25 million which surpasses the minimum subscription threshold under the Prospectus.

At the date of this report and having considered the above factors, the Directors believe that the Group will be able to continue as a going concern.

Critical accounting estimates and judgements

The key critical accounting estimates and judgments are:

Fair value less costs to sell discontinued operations

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

New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period as listed below.

- AASB 2013-3 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities
- AASB 2013-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2012 Cycle
- AASB 2013-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
- AASB CF 2014-1 Amendments to the Australian Conceptual Framework and AASB 2014-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (Part A Conceptual Framework)

The adoption of the above Accounting Standards and Interpretations has not had any material impact on the amounts reported in this financial report but may affect the accounting for future transactions or arrangements. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Refer below.

1. Significant accounting policies (continued)

Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The impact of the below Standards and Interpretations has not yet been determined.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 15 'Revenue from Contracts with Customers' and AASB 2015-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 2015-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2013-2015 Cycle'	1 January 2016	30 June 2017
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 16 'Leases'	1 January 2019	30 June 2020

The current intention is to adopt AASB 9 'Financial Instruments', and the relevant amending standards for the financial year ending 30 June 2017.

1. Summary of significant accounting policies **(continued)**

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(b) Cash and cash equivalents

Cash comprises cash on hand, cash at call, short-term deposits and cash in secured fixed term deposits held as security for the provision of bank guarantees. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1. Significant accounting policies (continued)

(c) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- Future increases in wages and salaries;
- Future on cost rates; and
- Experience of employee departures and period of service.

Management judgement is applied in determining the following key assumptions used in the calculation of annual leave at balance date:

- Future increases in wages and salaries;
- Future on cost rates;
- Experience of employee departures; and
- Experience of employee annual leave taken in relevant period.

(d) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Subsequent to initial recognition, investments in subsidiaries are measured at cost in the Company financial statements.

Other financial assets are classified in the following categories: financial assets ‘at fair value through profit or loss’, ‘held-to-maturity investments’, ‘available-for-sale’ financial assets, and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1. Significant accounting policies (continued)

(d) Financial assets (continued)

At fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial Instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's investment strategy. Upon initial recognition, the attributable transaction costs are recognised in profit or loss when incurred. Financial instruments that are at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Available-for-sale financial assets

Listed investments in equity securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses are recognised as a separate component of equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest rate method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

(e) Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars ('$'), which is the functional currency of Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited), and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

1. Significant accounting policies (continued)

(f) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(g) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(h) Revenue

Revenue is measured at the fair value of the consideration received or receivable, and is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Sale of goods
Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time the Group has transferred to the buyer the significant risks and rewards of ownership of the goods.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount at initial recognition.

Government grants
Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government assistance which does not have conditions attached specifically relating to the operating activities of the entity is recognised in accordance with the accounting policies above.

1. Significant accounting policies (continued)

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except:

i. where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables.

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

(j) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

(k) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1. Significant accounting policies (continued)

(l) Lease payments

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account when pricing the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2. Discontinued operations

On 22 January 2016, the Directors announced to the ASX that they had placed the Company and its operating subsidiaries into voluntary administration.

The effect of the appointment of administrators for Australian Renewable Fuels Adelaide Pty Ltd, Australian Renewable Fuels Picton Pty Ltd, Biodiesel Producers Pty Ltd and Besok Fuels Pty Ltd was that from this date these subsidiaries were no longer under the control of the parent entity and that all exposures, rights and involvements had been transferred to the Administrators. The Directors no longer had the ability to exercise powers to affect investor returns over these companies and hence ceased to consolidate the subsidiaries from this date.

On 20 January 2016 the control of all property, plant and equipment of the consolidated group was transferred to the Administrators and Receivers. The Company will receive no monetary payments for the loss of these assets. However, the convertible notes (31 December 2015: $12,845,948) were de-recognised upon the Company entering administration. Therefore, as at 31 December 2015 these assets have been impaired down to the value of the convertible notes, which resulted in a write down of $15,876,870.

The other current assets and liabilities recognised as at 31 December 2015 were subsequently collected, utilised or paid out by the Administrators at full value, and as such have not been impaired at the reporting date.

The profit and loss results for six months ended 31 December are as follows:

	December 2015 $	December 2014 $
Revenue from discontinued operations	25,518,893	27,045,924
Cost of goods sold	(20,370,987)	(19,918,969)
Gross profit	5,147,906	7,126,955
Other indirect costs	(5,432,397)	(6,811,272)
Total result up until 31 December 2015	**(284,491)**	**315,683**
Impairment loss recognised on the remeasurement to fair value less costs to distribute	(15,876,870)	-
Loss before tax on discontinued operations	**(16,161,361)**	**315,683**
Tax on discontinued operations	-	-
Loss after tax from discontinued operations	**(16,161,361)**	**315,683**

The cash flows for six months ended 31 December are as follows:

	December 2015 $	December 2014 $
Cash flows from operating activities	364,408	1,300,161
Cash flows from investing activities	(699,574)	(226,727)
Cash flows from financing activities	-	-
Net cash flows from discontinued operations	**(335,166)**	**1,073,434**

3. Segment information

At 31 December 2015 the Company maintained three key reportable segments. These were Biodiesel Plants located in Western Australia, South Australia and Victoria. All three segments have ceased operations and are considered to be discontinued operations (refer note 2). Any remaining value has been transferred to the Administrators and Receivers for the benefit of the secured note holders.

Directors are transforming the business into a managed Listed Investment Company with special focus on technology investments.

4. Property, plant and equipment

	Freehold land and buildings $	Plant and equipment at cost $	Total $
Gross carrying amount			
Balance at 1 July 2015	3,899,535	38,600,096	42,499,631
Additions	-	665,043	665,043
Disposals	-	(125,263)	(125,263)
Impairment	-	(24,620,578)	(24,620,578)
Balance at 31 December 2015	**3,899,535**	**14,519,298**	**18,418,833**
Accumulated depreciation			
Balance at 1 July 2015	-	(13,754,995)	(13,754,995)
Depreciation Expense	-	(626,414)	(626,414)
Disposals	-	64,816	64,816
Impairment	-	8,743,708	8,743,708
Balance at 31 December 2015	**-**	**(5,572,885)**	**(5,572,885)**
Net book value			
Non-current asset As at 30 June 2015	3,899,535	24,845,101	28,744,636
Current asset **Balance at 31 December 2015**	**3,899,535**	**8,946,413**	**12,845,948**

On 20 January 2016 the control of all property, plant and equipment of the consolidated group was transferred to the Administrators and Receivers. The Company will receive no monetary payments for the loss of these assets. However, the convertible notes (31 December 2015: $12,845,948) were de-recognised upon the Company entering administration. Therefore, as at 31 December 2015 these assets have been impaired down to the value of the convertible notes, which resulted in a write down of $15,876,870.

5. Contingent assets and liabilities

The Company has no contingent assets or liabilities as at 31 December 2015.

6. Financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

6.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial liabilities are determined, in particular, the valuation techniques and inputs used.

Financial assets/ financial liabilities	Fair value as at 31 Dec 2015	30 Jun 2015	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs to fair value	Relationship of unobservable inputs to fair value
Derivative component of convertible notes	Liabilities - $399,829	Liabilities - $1,470,138	Level 3	Option pricing models.	Probability - likelihood of early repayment.	The higher the likelihood of early repayment the lower the fair value.

6.2 Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

6.3 Reconciliation of Level 3 fair value measurements

31 December 2015	Derivative component of convertible notes $	Contingent consideration on acquisition $	Total $
Opening balance 1 July 2015	1,470,138	-	1,470,138
Disposals/settlements	-	-	-
Total gains or losses:			
- in profit or loss	(1,070,309)	-	(1,070,309)
Closing balance 31 December 2015	**399,829**	**-**	**399,829**

30 June 2015	Derivative component of convertible notes $	Contingent consideration on acquisition $	Total $
Opening balance 1 July 2014	1,470,138	-	1,470,138
Disposals/settlements	-	-	-
Total gains or losses:			
- in profit or loss	-	-	-
Closing balance 30 June 2015	**1,470,138**	**-**	**1,470,138**

7. Earnings per share

	December 2015 $	December 2014 $
Earnings per share from all operations		
Basic earnings profit/(loss) per share	**(0.39)**	0.01
Diluted earnings profit/(loss) per share	**(0.39)**	0.01
Earnings per share from continuing operations[1]		
Basic earnings profit/(loss) per share	**(0.00)**	(0.00)
Diluted earnings profit/(loss) per share	**(0.00)**	(0.00)

[1] These earnings per share disclosures are approximately zero.

(i) Basic earnings per share

	December 2015 $	December 2014 $
Profit/(loss) from all operations attributable to owners of the parent	**(16,163,893)**	315,513
Profit/(loss) from continuing operations attributable to owners of the parent	**(2,652)**	(341)

	2015 Number	2014 Number
Weighted average number of ordinary shares for the purposes of basic earnings per share(i)	**41,956,145**	41,956,145

(ii) Diluted earnings/(loss) per share

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2015 Number	2014 Number
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**41,956,145**	41,956,145
Employee share options(i)	**-**	600,000
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	**41,956,145**	42,556,145

(i) All remaining Employee Share Options lapsed in the financial year ended 30 June 2016. During the year ended 30 June 2015, the options were considered anti-dilutive given the company was in a loss-making position.

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted earnings per share.

	December 2015 Number	June 2015 Number
Convertible Note Options	**56,360,503**	56,360,503

All convertible note holder entitlements to options and potential ordinary shares have been extinguished pursuant to the Administration.

8. Subsequent events

In addition to the matters identified in the Administration of the Company note above, we report the following subsequent events:

Thorney Investment Group continues to fund the day-to-day operations of the Company including costs incurred for the 2016 Annual General Meeting.

Shareholders approved all 2016 Annual General Meeting resolutions and the Directors are currently managing the Prospectus recapitalisation program and preparing for re-listing on the ASX.

On 12 December 2016 the Company announced it had subscriptions in excess of $25 million which surpasses the minimum subscription threshold under the Prospectus.

There are no other significant events to report.

Directors' declaration

In accordance with a resolution of directors of Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited), I state that:

1. In the opinion of the Directors:

(a) the financial statements and notes of Thorney Technologies Ltd (formerly Australian Renewable Fuels Limited) for the half-year ended 31 December 2015 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

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

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

On behalf of the Board,

Alan Fisher
Director

Melbourne, 15 December 2016

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To the members of Thorney Technologies Ltd

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Thorney Technologies Ltd, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Thorney Technologies Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. We confirm that the Auditor's Independence Declaration would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Thorney Technologies Ltd is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Kester Brown
Partner

Melbourne
15 December 2016