



IRONBARK CAPITAL LIMITED

APPENDIX 4D

FOR THE HALF-YEAR ENDED

31 DECEMBER 2019

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The documents comprise the information required under Listing Rule 4.2A and should be read in conjunction with the Annual Report as at 30 June 2019.

RESULTS FOR ANNOUNCEMENT TO THE MARKET HALF-YEAR ENDED 31 DECEMBER 2019

The previous corresponding period is the half-year ended 31 December 2018. The Half-Year Financial Report has been subject to review by the Company's auditors.

- Net profit after tax for the half-year was \$1.03 million, down 20.9% from the \$1.30 million profit in the previous corresponding period.
- Investment revenue from ordinary activities, which includes unrealised gains and realised losses was \$1.30 million, 15.4% down from the \$1.54 million in the previous corresponding period.
- NTA per share before provision for tax on unrealised gains was \$0.555, up 4.1% compared to \$0.533 from the previous period. The NTA is after payment of fully franked dividends of 3.25 cents per share since the previous corresponding period.
- NTA per share after provision for tax on unrealised gains was \$0.550, up 1.9% compared to \$0.540 from the previous period. The NTA is after payment of fully franked dividends of 3.25 cents per share since the previous corresponding period.
- The interim dividend payable in this financial year is 1.2 cents per share, fully franked. This has been declared since the period end for ordinary shareholders on the register as at 20 February 2020. This is payable on 12 March 2020.
- The dividend paid in the previous corresponding period was 0.85 cents per share fully franked.
- The Dividend Reinvestment Plan remains suspended.
- It is the Directors' policy to only pay fully franked dividends and to distribute the majority of franking credits received each year, subject to the availability of profits. Franking credits are generated by receiving fully franked dividends from shares held in the Company's investment portfolio, and from the payment of corporate tax on its other investment income, namely share option premiums, unfranked income and net realised gains.

I will provide a brief comment on Ironbark's results for the half-year and the investment performance.

Investment Performance

For the latest half-year the portfolio returned 2.6% inclusive of franking credits compared to the portfolio benchmark which returned 3.4% for the half-year. In the year to 31 December 2019 the portfolio returned 14.1% outperforming the benchmark (1 year swap + 6%p.a.) of 7.2%. This performance was achieved at just over a third of the volatility of the S&P/ASX 300.

The Investment Manager's report by Kaplan Funds Management (KFM) which follows, sets out in detail the investment experience in the latest half-year.

Results for the Half-Year

The positive performance of the portfolio contributed to the \$1.03m profit after tax for the half-year, down from the \$1.30m on the previous corresponding half-year. Income from the trading portfolio was \$1.30m. The cut in dividends from some of the major banks, lower interest rates and the buy-back in December 2018 were the main contributors to the lower income result.

The NTA before tax on unrealised gains was up 4.1% on the prior year, after payment of a 0.85 cents per share dividend in the previous corresponding period.

Expenses were contained, falling 6% on the corresponding period resulting in an MER of 0.91% on an annualised basis.

The discount on the Ironbark shares has narrowed and is currently trading at a discount of around 7.5% to NTA after tax of \$0.568.

Since the end of the half-year, the Directors have declared a fully franked dividend of 1.2 cents per share to be paid on 12 March 2020.

Dividend Outlook

Ironbark has always had a policy to pay fully franked dividends as company profits create the opportunity to do so. The capacity to pay fully franked dividends will continue to depend on the accumulation of franking credits and accounting profits from the underlying investments.

Ironbark Outlook

Equity markets hit record highs in January fuelled by the signing of the phase one trade agreement between China and USA. However, the recent outbreak of the coronavirus has justifiably created uncertainty about world growth, particularly China. This uncertainty will most likely lead to increase volatility over the next six months.

In this context, the strategy of a low volatility, absolute return portfolio paying fully franked dividends is more relevant than ever.

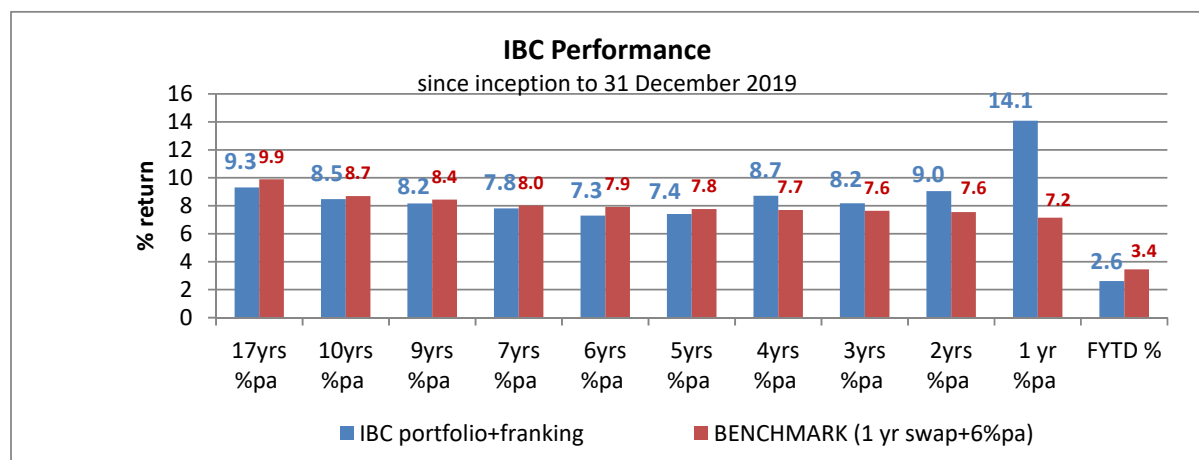
Michael J Cole AM
Chairman

Investment Manager Report –half year to 31 December 2019

The manager's focus is to deliver consistent returns and a high fully franked dividend yield from the portfolio. IBC's performance benchmark is the 1-year swap rate plus 6% per annum.

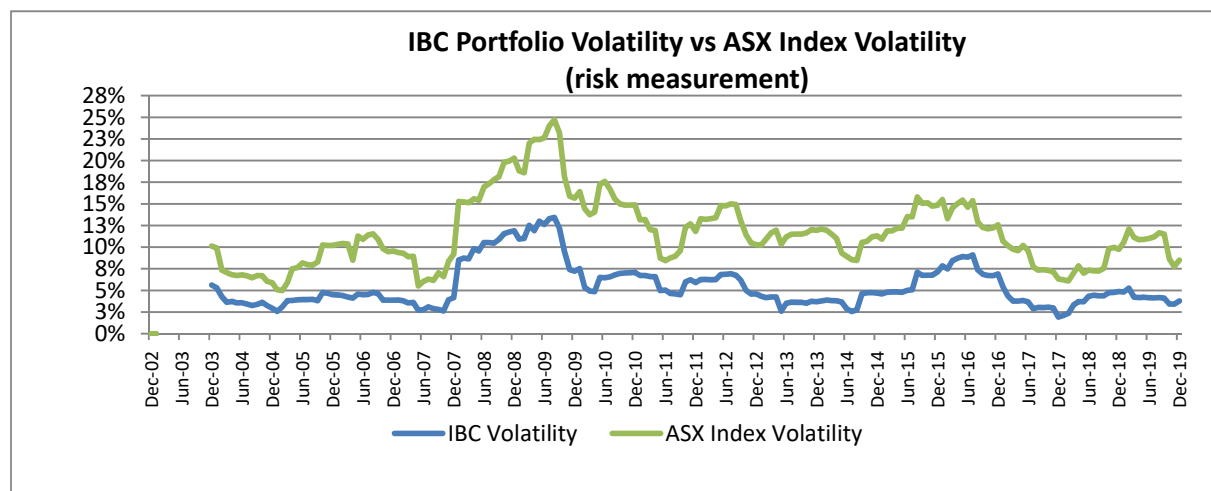
Performance measurement includes franking credits and option premium income. Franking credits are a significant source of return from IBC's hybrid investments and for shareholders. Option premium income is generated from buy & write activity and varies with market conditions. The calculation of the portfolio's current running yield of 6.2% excludes option income because realised option premiums are highly variable from year to year.

IBC recorded a portfolio return of 2.62% over the half year underperforming its benchmark return of 3.45%. Over 12 months, the portfolio returned 14.1% almost double the benchmark return. Since inception, over 17 years including two years of the GFC, the portfolio achieved a return of 9.3%pa with risk measured in terms of volatility approximately 52% of equity market risk.



IBC's focus on income generation and capital preservation from a balanced portfolio structure has delivered superior risk adjusted returns compared to the equities market. Over the 10 year period, the portfolio's return was 8.5%pa with 56% less risk than the ASX200 Accumulation Index return of 9.5%pa (inclusive of franking credits).

Portfolio volatility/risk has measured consistently around 50% of the equity market volatility/risk.



Portfolio

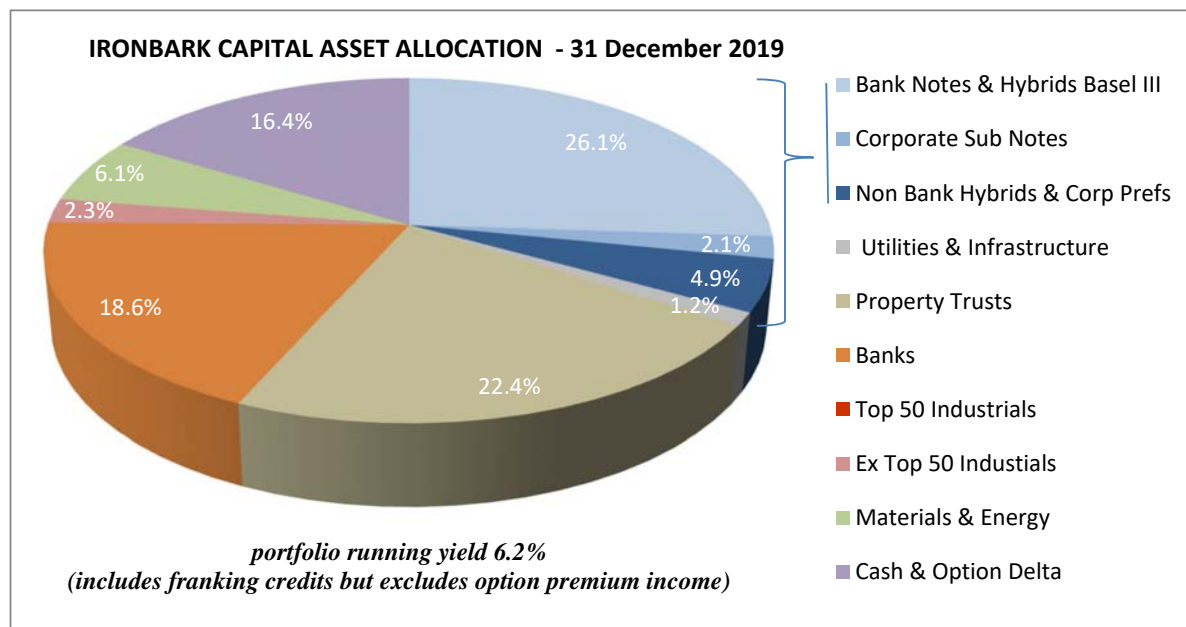
The portfolio is structured with an emphasis on income through yield orientated securities (hybrids and corporate bonds, utilities, property trusts) and buy & write positions in Banks, BHP and other leading companies. The portfolio's running yield was 6.2% inclusive of franking credits and excluding option premium income.

The buy & write strategy involves buying selective shares and selling, subject to appropriate timing, call options over those shares. This strategy gives away some of the upside potential from a shareholding but generates option premium income consistent with the income emphasis of the portfolio.

The portfolio is diversified across 21 different entities. Higher risk exposures in banks, industrials and resources are largely held through buy & write option positions for income enhancement or added protection. The portfolio's hybrid and corporate bond holdings are mostly floating rate securities with little duration risk.

Approximately 33% of the portfolio was held in hybrids and corporate bonds and 25% in buy & writes in Banks and BHP. The balance was represented by 22.4% in property trusts, 2.3% in mid-cap companies, 1.2% in utilities and 16.4% held in cash & option delta.

Asset allocation reflects a cautious stance.

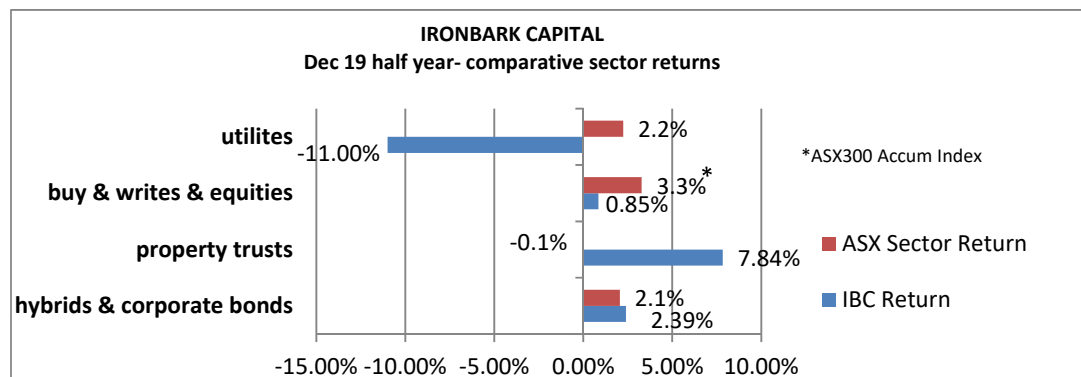
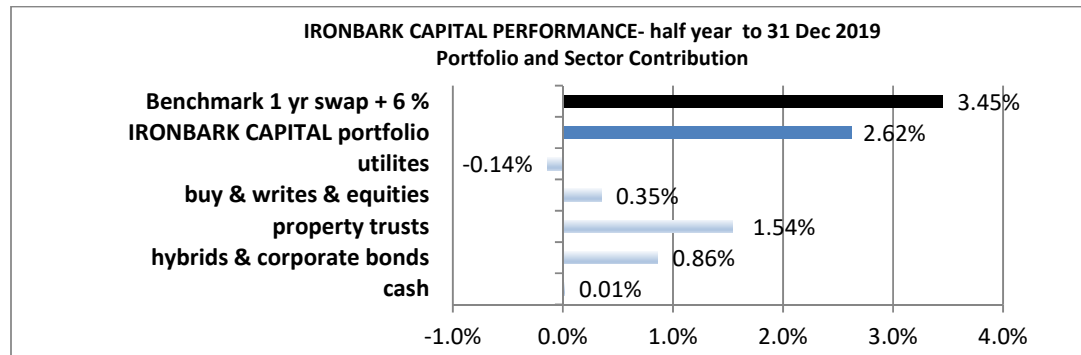


Portfolio Performance-half year to 31 December 2019

Financial asset markets globally were buffeted by the US/China trade war and counterbalanced by further central bank stimulus. Equities hit record highs, bond yields were more or less steady and credit spreads remained tight.

The key driver of financial markets remained accommodative monetary policy and quantitative easing. Additional monetary stimulus through official rates cuts were delivered in the US, Europe, Australia, New Zealand, India, Thailand. The ECB reacted to the pronounced weakness in Europe by reactivated QE at a rate of 20bn euro per month commencing in November and extended negative rates by -10bps to -0.50%. The US Fed introduced a form of quantitative easing by purchasing \$60 billion per month of US T-Bills to calm the repo market. China injected more measured monetary stimulus and weathered the trade war better than expected, recording quarterly GDP growth of 6% in December and 6.1% over 2019. But is now impacted by the Coronavirus outbreak in January.

The Fund recorded a return of 2.62% for the half year period and 14.1% over 12 months.



The main change in the portfolio was a significant up weighting to property trusts from 16.8% to 22.4%. The portfolio participated in property trust capital raisings and introduced an investment in Australian Unity Healthcare Property Trust (unlisted). The healthcare property sector offers defensive returns and improves portfolio diversification. Property trusts holdings delivered a strong return of 7.8% with a focus on office, industrial and healthcare sectors.

Buy & write returns of 0.85% were dampened by losses in bank shares and BHP. Option writing provided protection against BHP losses but only partial protection against the significant fall in bank shares led by a -11.7% decline in Westpac. The portfolio participated in the WBC \$2.0bn share placement under a buy & write position.

Utilities suffered from a -10.9% decline in Spark Infrastructure from reduced regulatory returns negatively impacting the dividend outlook. However, the trading yield of 6.4% is now supportive.

Hybrid and corporate bond holdings continued to produce steady gains and represented 33% of the portfolio. Credit spreads were largely unchanged and net new issuance was quiet in the listed sector. In credit markets, unlisted subordinated debt issuance continued to be active with major banks seeking to meet higher total loss absorbing capital requirements by 2024. Senior bank spreads tightened with issuance of senior debt being replaced by subordinated debt issuance. The portfolio participated in CBA Perls XII (300 bps floating margin) and IANG was redeemed on maturity. Crown subordinated notes (CWNHB) were exited due to increased regulatory risks.

Cash exposure (inclusive of options delta) reduced to 16.4% from 26.4%.

The challenge for investors is to navigate an environment with entrenched accommodative monetary policy alongside high valuations, slow growth, late cycle economic pressures and geopolitical risks.

KAPLAN FUNDS MANAGEMENT

Ironbark Capital Limited
ABN 89 008 108 227
Portfolio Shareholdings as at 31 December 2019

Portfolio Shareholdings at 31 December 2019

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Banks				
ANZ	ANZ Banking Group Limited	2,706	4.1	3.9
CBA	Commonwealth Bank of Australia Limited	5,592	8.4	5.3
NAB	National Australia Bank Limited	1,891	2.8	2.5
WBC	Westpac Banking Corporation Limited	5,273	7.9	6.9
		15,462	23.2	18.6
Hybrids & Corporate Bonds				
AMPPA	AMP Limited - Capital Notes	310	0.5	0.5
ANZPG	ANZ Banking Group Limited - Capital Notes	758	1.1	1.1
BOQPE	Bank of Queensland Limited - Capital Notes	1,972	3.0	3.0
BENPG	Bendigo & Adelaide Bank Limited - Capital Notes	851	1.3	1.3
CGFPB	Challenger Limited - Capital Notes	211	0.3	0.3
CBAPD/PG/PI	Commonwealth Bank of Australia Limited PERLS	2,439	3.7	3.7
IAGPD	Insurance Australia Group Limited - Capital Notes	2,147	3.2	3.2
MQGPB/PC/PD	Macquarie Group Limited - Capital Notes	2,186	3.3	3.3
NABHA/PD/PF	National Australia Bank Limited - Capital Notes	3,840	5.8	5.8
NAB1249	National Australia Bank Limited - Capital Notes (Unlisted)	504	0.8	0.8
QUBHA	Qube Holdings Limited - Subordinated Notes	1,396	2.1	2.1
RHCPA	Ramsay Health Care Limited - Capital Notes	618	0.9	0.9
SUNPF/PG	Suncorp Group Limited - Capital Notes	2,905	4.4	4.4
WBCPG	Westpac Banking Group Corporation Limited - Capital Notes	1,986	3.0	3.0
		22,123	33.4	33.4
Materials & Energy				
BHP	BHP Billiton Limited	8,501	12.7	6.1
		8,501	12.7	6.1
Property				
AUH1219	Australian Unity Healthcare Property Trust (Unlisted)	1,938	2.9	2.9
CIP	Centuria Industrial REIT	334	0.5	0.5
CMA	Centuria Metropolitan REIT	1,699	2.5	2.5
CLW/N	Charter Hall Long WALE REIT	5,899	8.8	8.8
GOZ	Growthpoint Properties	522	0.8	0.8
VVR	VIVA Energy REIT	4,635	6.9	6.9
		15,027	22.4	22.4
Small Industrial				
PWG	Primewest	351	0.5	0.5
SDF	Steadfast Group Limited	1,166	1.7	1.7
		1,517	2.2	2.2
Utilities & Infrastructure				
SKI	Spark Infrastructure Group	808	1.2	1.2
		808	1.2	1.2
Cash				
		3,267	4.9	16.1
		66,705	100.0	100.0

*Includes market value of options written against holdings

**Includes option delta written against holdings

Ironbark Capital Limited
ABN 89 008 108 227

Financial Report
For the half-year ended 31 December 2019

Directors	Michael J Cole AM Chairman B Ec, M Ec (Syd), F Fin Ross J Finley B Comm (NSW) Ian J Hunter BA LLB (Syd), MBA (MGSM)
Company Secretary	Jill Brewster MBA (MGSM), AGIA, ACIS, FIPA, FFA
Principal Registered Office	Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0399
Share Registrar	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Shareholder enquiries telephone: (02) 9290 9600
Investment Manager	Kaplan Funds Management Pty Limited Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0300
Accounting & Administration	Kaplan Funds Management Pty Limited Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0399 Fax: (02) 8917 0355
Auditors	MNSA Pty Ltd Level 1 283 George Street Sydney NSW 2000
Website	www.ironbarkcapital.com
Company Secretarial & all other enquiries	Telephone: (02) 8917 0399 Email: enquiries@ironbarkcapital.com
Stock Exchange	Australian Securities Exchange ASX code: IBC

Directors' Report

Your Directors present their report on the Company for the half-year ended 31 December 2019.

Directors

The following persons were Directors of Ironbark Capital Limited during the period and up to the date of this report:

Michael J Cole, Chairman
Ross J Finley
Ian J Hunter

Review of Operations

The profit from ordinary activities after income tax for the half-year to 31 December 2019 was \$1,028,000 (2018: \$1,299,000). The cut in dividends from some of the major banks, lower interest rates and the buy-back in December 2018 were the main contributors to the lower income result.

A fully franked dividend of 1.2 cents per share has been declared since the end of the half-year and is payable on 12 March 2020.

The Company's NTA before deferred tax on unrealised gains was up 4.1% to \$0.555 per share.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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.

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



Michael J Cole AM
Chairman

Sydney
13 February 2020



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001
TO THE DIRECTORS OF IRONBARK CAPITAL LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2019 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.

MNSA PTY LTD
MNSA Pty Ltd

Sam Danieli
Director

Sydney
13 February 2020

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Profit or Loss and Other
Comprehensive Income
For the half-year ended 31 December 2019

		Half-year ended	
		31 December	31 December
		2019	2018
	Notes	\$'000	\$'000
Investment income from trading portfolio			
Revenue	3	1,587	1,970
Net (loss)/gain on trading portfolio		(282)	(427)
Total investment income from trading portfolio		<u>1,305</u>	<u>1,543</u>
Expenses			
Management fees		(140)	(147)
Performance fees		30	-
Brokerage expense		(7)	(24)
Accounting fees		(23)	(25)
Share registry fees		(15)	(16)
Custody fees		(14)	(17)
Tax fees		(7)	(6)
Directors' liability insurance		(10)	(10)
Legal fees		-	(11)
Directors' fees		(33)	(33)
ASX fees		(23)	(26)
Audit fees		(15)	(14)
Option fees		(10)	(8)
Other expenses		(30)	(26)
Total expenses		<u>(297)</u>	<u>(363)</u>
Profit before income tax		1,008	1,180
Income tax benefit		20	119
Net profit for the period		<u>1,028</u>	<u>1,299</u>
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		<u>1,028</u>	<u>1,299</u>
		Cents	Cents
Basic and diluted earnings per share	6	0.83	0.96

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Financial Position
As at 31 December 2019

	Notes	31 December 2019 \$'000	30 June 2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		3,267	309
Trade and other receivables		337	505
Trading portfolio		63,438	66,225
Other assets		36	3
Total current assets		67,078	67,042
Non- current assets			
Deferred tax assets		1,534	1,202
Total non-current assets		1,534	1,202
Total assets		68,612	68,244
LIABILITIES			
Current liabilities			
Trade and other payables		76	1,048
Total current liabilities		76	1,048
Non-current liabilities			
Deferred tax liabilities		669	357
Total non-current liabilities		669	357
Total liabilities		745	1,405
Net assets		67,867	66,839
Equity			
Issued capital	7	67,374	67,374
Profit reserve		2,455	961
Accumulated losses		(1,962)	(1,496)
Total equity		67,867	66,839

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Changes in Equity
For the half-year ended 31 December 2019

	Notes	Issued capital \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2019		67,374	961	(1,496)	66,839
Profit for the period		-	-	1,028	1,028
Transfer to profit reserve		-	1,494	(1,494)	-
Total comprehensive income for the period		67,374	2,455	(1,962)	67,867
Transactions with owners in their capacity as owners:					
Dividends paid	5	-	-	-	-
Balance at 31 December 2019		67,374	2,455	(1,962)	67,867
Balance at 1 July 2018		74,644	527	(1,496)	73,675
Profit for the period		-	-	1,299	1,299
Transfer to profit reserve		-	1,461	(1,461)	-
Total comprehensive income for the period		74,644	1,988	(1,658)	74,974
Transactions with owners in their capacity as owners:					
Dividends paid	5	-	(1,166)	-	(1,166)
Buy-back of shares		(7,270)	-	-	(7,270)
Balance at 31 December 2018		67,374	822	(1,658)	66,538

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Cash Flows
For the half-year ended 31 December 2019

		Half-year ended	
		31 December 2019	31 December 2018
	Notes	\$'000	\$'000
Cash flows from operating activities			
Interest received		74	172
Net proceeds from sale of trading portfolio		2,344	9,773
Dividends & trust distributions received		1,684	2,079
Other income received		-	2
Management fees paid		(139)	(148)
Performance fees paid		(789)	-
Other expenses paid		(216)	(239)
Net cash inflow from operating activities		2,958	11,639
Cash flows from financing activities			
Dividends paid to shareholders	5	-	(1,166)
Payment for shares bought back		-	(7,270)
Net cash outflow from financing activities		-	(8,436)
Net increase in cash and cash equivalents		2,958	3,203
Cash and cash equivalents at beginning of period		309	314
Cash and cash equivalents at the end of period		3,267	3,517

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year ended 31 December 2019 has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ironbark Capital Limited. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2019, together with any public announcements made during the following half-year. The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

This interim financial report was authorised for issue on 13 February 2020.

2. Segment information

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

3. Revenue

	Half-year ended	
	31 December 2019	31 December 2018
	\$'000	\$'000
Dividends	1,167	1,409
Interest	71	165
Distributions	349	394
Other income	-	2
	1,587	1,970

4. Fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through profit or loss

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- 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 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

4. Fair value measurements (continued)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 31 December 2019:

31 December 2019

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	61,500	1,938	-	63,438
Total	61,500	1,938	-	63,438

30 June 2019

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	63,807	2,418	-	66,225
Total	63,807	2,418	-	66,225

There were no transfers between levels for recurring fair value measurements during the period. The Company's policy is to recognise transfers into and out of fair value hierarchy as at the end of the reporting period.

5. Dividends

(a) Ordinary Shares

	Half-year ended	
	31 December 2019 \$'000	31 December 2018 \$'000
Dividends provided for or paid during the half-year	-	1,166

(b) Dividend rate

Dividends provided for or paid and fully franked at 27.5% tax rate (2019: 27.5%).

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2019					
Ordinary shares – Interim	31/08/2018	0.85cps	\$1,166	18/09/2018	100

Since the end of the half-year, the Directors have declared a fully franked dividend of 1.2 cents per share to be paid on 12 March 2020. The aggregate amount of \$1.478 million has not been recognised as a liability at the end of the period.

6. Earnings per share

(a) Basic and diluted earnings per share

	Half-year ended	
	31 December 2019	31 December 2018
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	0.83	0.96

(b) Weighted average number of shares used as denominator

	Half-year ended	
	31 December 2019	31 December 2018
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	123,166,545	135,313,493

7. Issued capital

(a) Issued capital

	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	123,166,545	123,166,545	67,374	67,374

8. Contingencies

The Investment Management Agreement entered into by the Company with Kaplan Funds Management Pty Ltd may be terminated by either party giving to the other no less than one-year written notice of its intention to do so.

The Company had no other contingent liabilities at 31 December 2019 (2018: nil).

9. Events occurring after the reporting period

Other than the declaration of a fully franked dividend of 1.2 cents per share, as outlined in note 5, no other matter or circumstance has occurred subsequent to the period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

In the Directors' opinion:

- (a) the Interim Financial Statements and notes set out on pages 13 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date.
- (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.

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



Michael J Cole AM
Chairman

Sydney
13 February 2020

**IRONBARK CAPITAL LIMITED**

ABN 89 008 108 227

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
IRONBARK CAPITAL LIMITED**

ABN 89 008 108 227

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Capital Limited, which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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.

Directors' Responsibility for the Half-year Financial Report

The directors of Ironbark Capital Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 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 Ironbark Capital Limited, 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 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*.

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 Ironbark Capital Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Ironbark Capital Limited's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MNSA Pty Ltd

MNSA Pty Ltd

Sam Danieli
Director

Sydney
13 February 2020