



**IRONBARK** CAPITAL

ABN 89 008 108 227

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IRONBARK CAPITAL LIMITED  
APPENDIX 4E & ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2024

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# IRONBARK CAPITAL LIMITED

## Results for Announcement to the Market

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### Year Ended 30 June 2024

This report is based on audited financial statements. The previous corresponding period is the year ended 30 June 2023.

- Net profit after tax was \$2.61 million, 52.3% down on the \$5.47 million profit from the previous period.
- Investment revenue from ordinary activities was \$3.54 million, 49.9% down from the previous period. This includes dividends, distributions and interest which was up 8.1% on the corresponding period. The main contributor to this result was the change in fair value of the underlying investments. The unrealised loss for the period was \$0.88 million compared to the \$2.16 million unrealised gain for the prior year. Realised gains were down 45.4% for the period from \$0.91 million compared to the prior year realised gain of \$1.66 million.
- The final fully franked dividend for the 2024 financial year is 1.25 cents per share which is to be paid on 27 September 2024 for shareholders registered as at record date of 6 September 2024. This is franked at the corporate tax rate of 25%.
- The final fully franked dividend for the 2023 financial year was 1.25 cents per share which was paid on 27 September 2023.
- The interim dividend paid to shareholders on 27 March 2024 was 1.1 cents per share, fully franked. The interim dividend for the corresponding period was 1.1 cent per share fully franked.
- NTA before provision for tax on unrealised gains was \$0.568, compared to \$0.567 from the previous period. NTA after provision for tax on unrealised gains was \$0.563, compared to \$0.559 from the previous period. The NTA is after 2.35 cents per share fully franked dividend paid in the period and after the buy-back of 3.1 million shares.
- The Dividend Reinvestment Plan remains suspended.

**Ironbark Capital Limited**  
ABN 89 008 108 227

**Annual Report**  
**For the year ended 30 June 2024**

# Ironbark Capital Limited

ABN 89 008 108 227

## Annual Report For the year ended 30 June 2024

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<b>Directors</b>	Michael Cole AM BEc, MEc, FFin, Chairman Neal Hornsby MIPA, MBA, DipFS(FP), CertPM Sam Kaplan BEc, MBA, FFin
<b>Company Secretaries</b>	Natalie Climo LLB, GradDipLegalPrac, GIA(Cert) Jill Brewster MBA, AGIA, ACG, FIPA, FFA
<b>Principal Registered Office</b>	<b>c/- Boardroom Pty Limited</b> Level 8, 210 George Street Sydney NSW 2000 Telephone: 1300 737 760
<b>Share Registrar</b>	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Shareholder enquiries telephone: (within Australia) 1300 737 760 (outside Australia) +61 2 9290 9600
<b>Investment Manager</b>	Kaplan Funds Management Pty Limited Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0300
<b>Accounting &amp; Administration</b>	Kaplan Funds Management Pty Ltd Suite 607, 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0399 Fax: (02) 8917 0355
<b>Auditors</b>	MNSA Pty Ltd Level 1 283 George Street Sydney NSW 2000
<b>Website</b>	<a href="http://www.ironbarkcapital.com">www.ironbarkcapital.com</a>
<b>Company Secretarial &amp; all other enquiries</b>	Telephone: (02) 8917 0399 Email: <a href="mailto:enquiries@ironbarkcapital.com">enquiries@ironbarkcapital.com</a>
<b>Stock Exchange</b>	Australian Securities Exchange ASX code: IBC

## **Chairman's Report**

The 2024 financial year saw the market at all-time highs despite softer commodity prices and inflationary impacts from the economies of Australia and its major trading partners.

### **Results for the Financial Year & Final Dividend**

The profit after tax of \$2.6 million was down from the \$5.5 million achieved in the previous corresponding year.

A key component of the result is the change in fair value for the year of the underlying investments, which results in the fluctuation in profit results in any year. The prior year's positive change in valuations was not sustained in certain sectors and contributed to the lower profit result. Unrealised losses of \$0.88 million primarily resulted from the underperformance of the property trust and the resources sectors.

Investment revenue increased by 8% to \$3.5 million. Interest income increased by 78% reflecting the higher interest rates achieved through the Hybrid and Corporate Note holdings. Dividend income decreased by 9% reflecting in part the lower payout ratios most notably in the resources sector.

Realised gains for the year were \$0.91 million, predominantly from sales in the materials, financial services and property trust sectors, including the writing of call options.

NTA per share after provision for tax on unrealised gains was \$0.563, up 0.7% compared to the previous period. The NTA is after payment of fully franked dividends of 2.35 cents per share.

The Corporate earnings of the underlying investments and the associated fully franked dividends received allowed the Company to maintain payment of fully franked dividends in the 2024 financial year of 2.35 cents per share. Since the end of the financial year, the Directors have declared a fully franked dividend of 1.25 cents per share to be paid on 27 September 2024.

### **Investment Performance**

For the year to 30 June 2024, the Ironbark portfolio returned 7.0% inclusive of franking credits, underperforming the Benchmark (1 year swap + 6%p.a.) by 3.3%. In the last six months of the financial year the Australian equity market saw strong bank performance and weak performance of resources and property trusts. This had an impact on the portfolio returns where the portfolio was overweight materials and underweight banks and with buy/write positions in both. The performance over 3 years of 8.2% and over 5 years of 7.1% is still very satisfactory and has been achieved in times of continuing economic uncertainty.

The Ironbark performance reflects the Investment Manager's absolute return focus and income emphasis including the writing of call options. The Investment Manager's report by Kaplan Funds Management (KFM) which follows the Chairman's Report, sets out in detail the investment experience in this 2024 financial year.

### **Capital Management**

The on-market share buy-back for up to 10% of the Company's shares over 12 months continued in the 2024 financial year and 3,116,600 shares were bought back in the period to 30 June 2024.

In accordance with the Company's capital management program, the program has been extended for a further 12 months until 18 July 2025. This provides the mechanism for the Company to buy back its shares during prolonged periods of share price volatility when there is a significant discount to underlying NTA.

### **Investment Management Agreement**

Following a review of the Investment Management Agreement, which was last undertaken almost 10 years ago, and as indicated to the Market in early December, the management fee was increased from 1 January 2024 from 0.4% p.a. to 0.6% p.a., offset by the removal of the performance fee. This is a competitive investment management fee by way of comparison with our peers. Historically, Ironbark's management fee has been higher at 0.65% p.a. with a performance fee.

### **The Year Ahead**

The year ahead will continue to provide challenging times for financial markets, emanating from geopolitical events and the continuing impact of inflation and interest rates on all economies. The associated cost of living pressures on consumer spending are being felt in certain sectors and this brings short-term uncertainty. Since year end the domestic market has also experienced the volatility in global equity markets from the slowing economies.

Despite the economic outlook, the Ironbark portfolio continues to be well positioned to deliver fully franked dividends and satisfactory returns within an acceptable risk profile. The Hybrid & Corporate Note portfolio will continue to benefit from the high interest rates in the 2025 financial year.

**Michael J Cole AM**  
**Chairman**

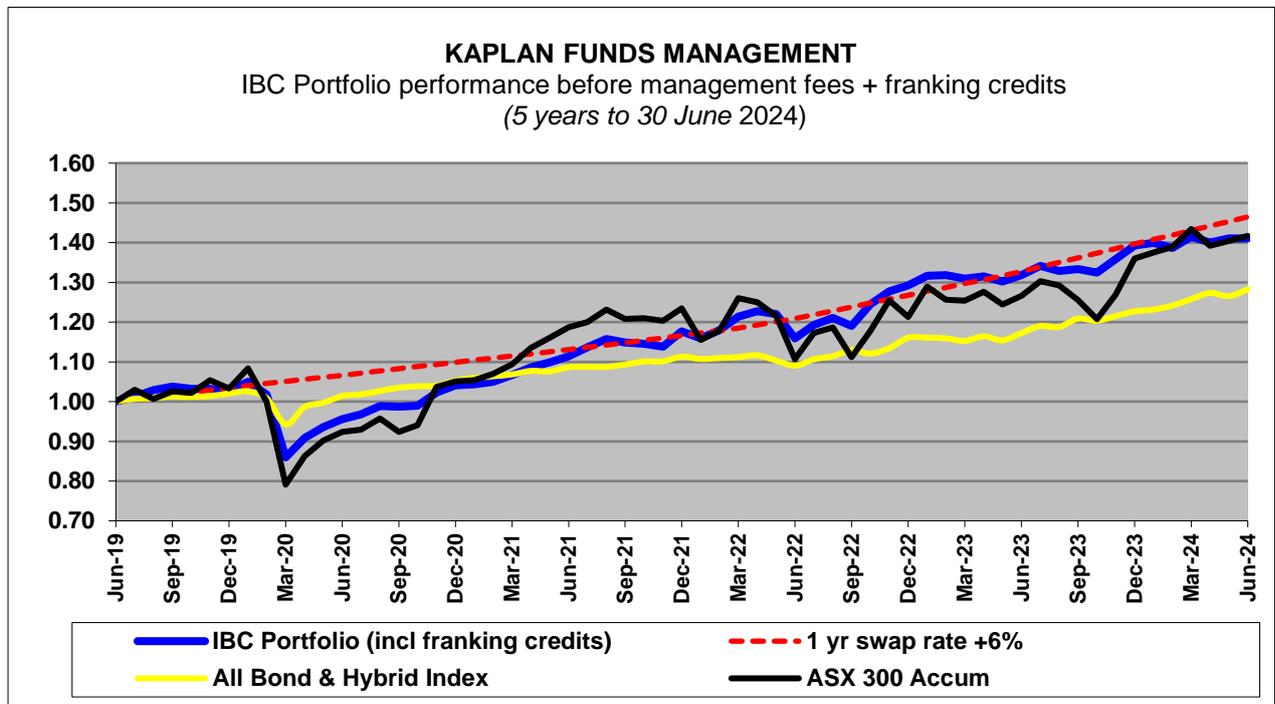
## Investment Manager Report – financial year to 30 June 2024

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.

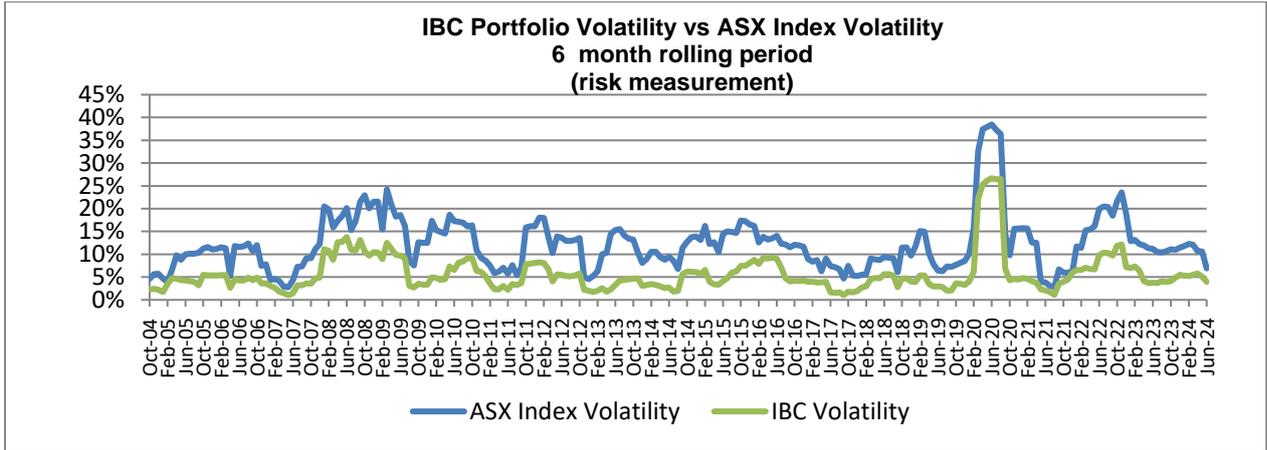
Performance measurement includes franking credits and option premium income. Franking credits are included in performance because they are a significant source of return from IBC’s hybrid investments and are beneficial for shareholders. Option premium income is generated from buy & write activity and varies with market conditions. Over the year, realised option premium income was around \$0.8m (1.3% of the portfolio). The calculation of the portfolio’s current running yield of 6.97% excludes option income because realised option premiums are highly variable from year to year.

IBC recorded a sound return of 7.0% over the financial year with conservative settings and low relative volatility. The return, however, underperformed the benchmark return of 10.35% (1 year swap rate +6%pa). Since inception, over 20 years including two crisis periods (GFC & Covid-19) the portfolio achieved a return of 8.9%pa with 52% of equity market risk measured in terms of volatility.

PERFORMANCE TO 30/6/24							
	Inception 21.5yrs	10 Yr	5 Yr	4 Yr	3 Yr	2 Yr	1 Yr
	% pa	% pa	% pa	% pa	% pa	% pa	% pa
<b>FUM \$60m</b>							
<b>IBC pre fees plus franking</b>	<b>8.90</b>	<b>7.14</b>	<b>7.12</b>	<b>10.21</b>	<b>8.18</b>	<b>10.30</b>	<b>7.00</b>
<b>1 yr swap rate +6%</b>	<u>9.50</u>	<u>7.94</u>	<u>7.93</u>	<u>8.26</u>	<u>9.01</u>	<u>10.06</u>	<u>10.35</u>
<b>Relative performance</b>	-0.61	-0.80	-0.81	1.95	-0.83	0.24	-3.34
<b>volatility IBC</b>	<b>7.1</b>	<b>7.7</b>	<b>9.6</b>	<b>5.8</b>	<b>6.3</b>	<b>5.4</b>	<b>4.7</b>
volatility ASX300	13.6	14.1	16.6	13.1	13.7	13.1	11.5
<b>ASX 300 Accum</b>	<b>8.97</b>	<b>8.04</b>	<b>7.22</b>	<b>11.28</b>	<b>6.08</b>	<b>13.15</b>	<b>11.92</b>
<b>Vol relative to ASX</b>	52%	54%	58%	44%	46%	42%	41%



IBC’s focus on income generation and capital preservation from a balanced portfolio structure has delivered very good risk adjusted returns compared to the equities market.



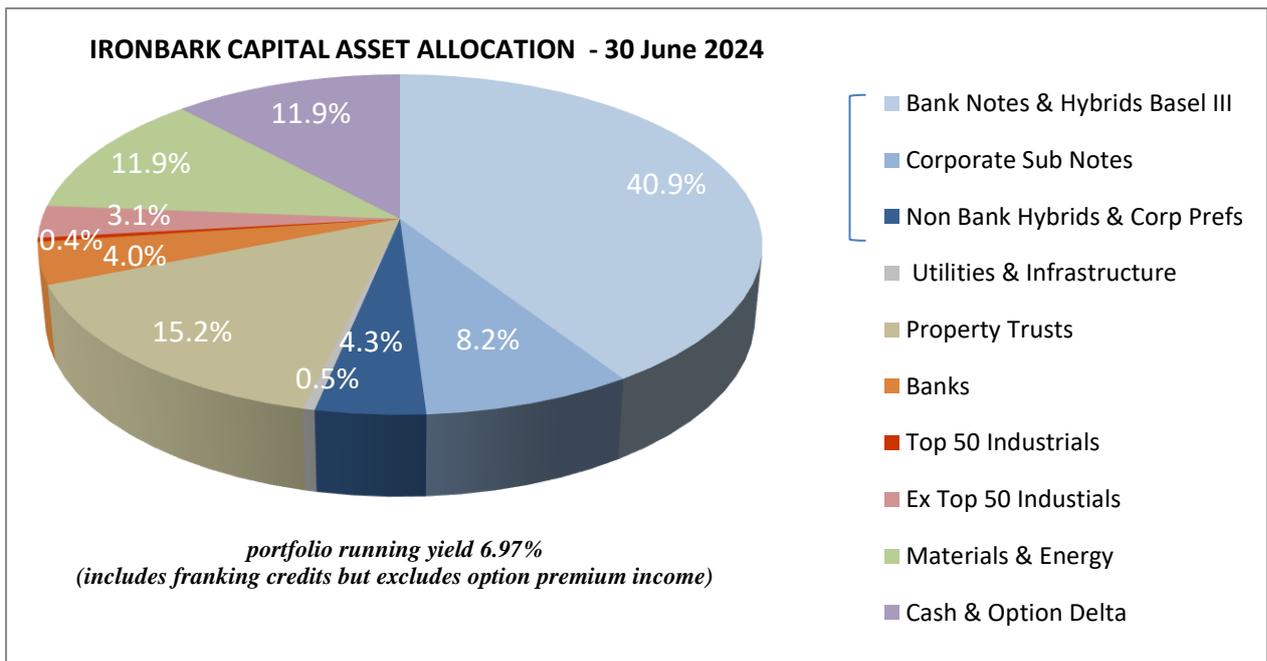
**Portfolio**

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 leading companies. The portfolio’s running yield was 6.97% inclusive of franking credits but 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 53% of the portfolio was held in hybrids and corporate bonds and 25% in buy & write physical exposures (15.4% net of delta) in Banks, Telstra, BHP and Woodside. The balance was represented by 15% in property trusts, 3% in mid-small industrial companies, 1.2% in small resources, 0.5% utilities, and 11.9% held in cash & option delta.



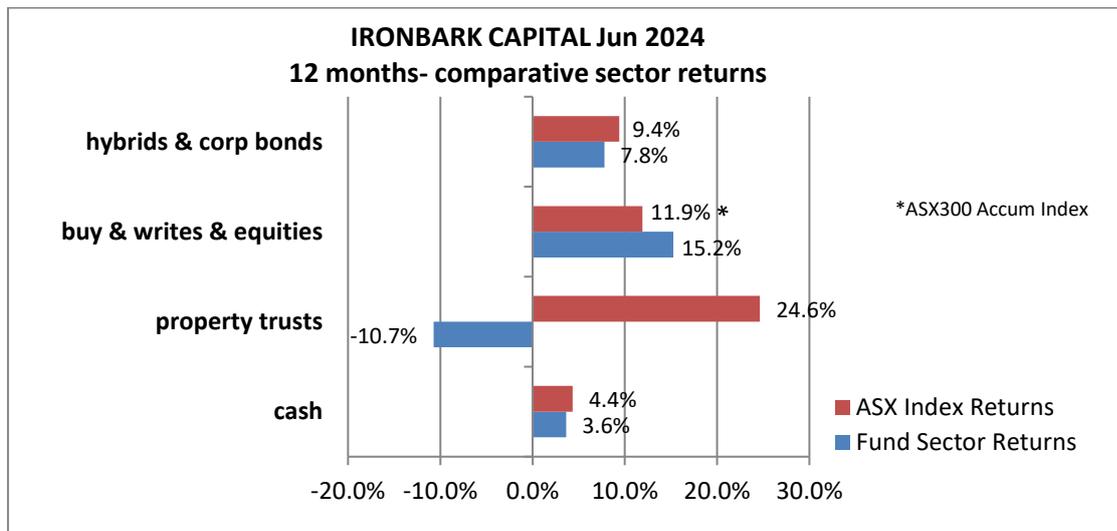
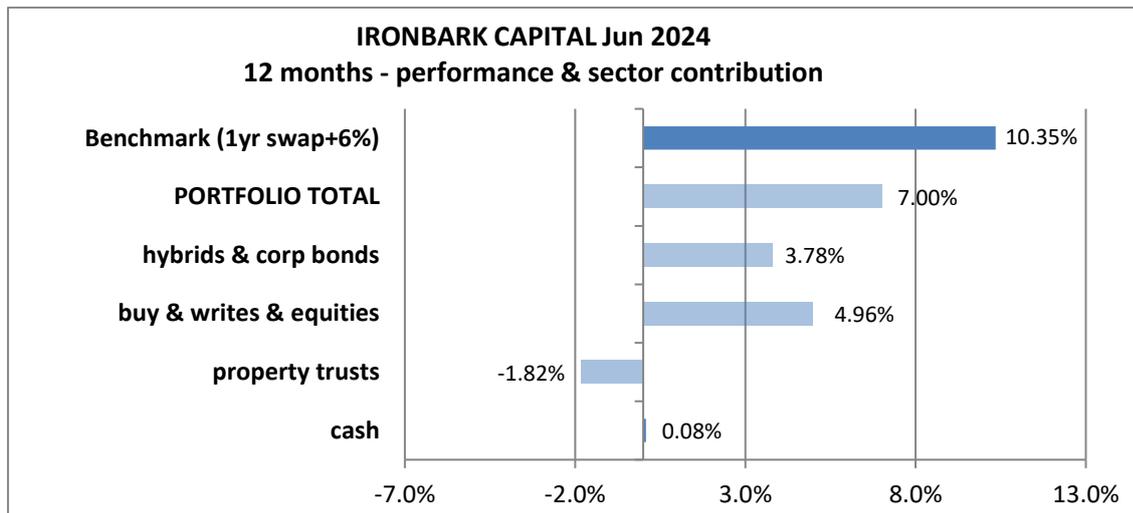
**Portfolio Performance-financial year to 30 June 2024**

The portfolio recorded a return of 7.0% for the financial year.

The main change to the portfolio over the year involved a further increase in floating rate wholesale unlisted subordinate notes and major bank hybrids from 46% to 53% of the portfolio. Subordinate notes were purchased on issue margins ranging from 1.95% and 2.35% above the bank bill rate. Hybrids were purchased on higher issue margins ranging from 2.6% to 3.1%. Hybrid and corporate bonds delivered a good return of around 8% over the year.

Buy & writes returned 15% and benefited from stronger bank share prices and the introduction of Origin Energy, whilst resource shares were flat. However, the buy & write contribution was limited by rising option delta as share prices rallied. Option writing contributed 0.8% (realised and unrealised profits) to the total portfolio return over the year.

Property trust holdings returned -10% more than reversing the rally in the first half of the year. High interest rates, office vacancies, and cyclical cost pressures in healthcare weighed on the sector with only industrial property performing well.



**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Portfolio Shareholdings as at 30 June 2024**

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
<b>Banks</b>				
ANZ	ANZ Banking Group Limited	2,636	4.4	2.2
CBA	Commonwealth Bank of Australia Limited	1,551	2.6	-
WBC	Westpac Banking Corporation Limited	1,985	3.3	1.4
		<b>6,172</b>	<b>10.3</b>	<b>3.6</b>
<b>Hybrids &amp; Corporate Bonds</b>				
ALD26/27	Ampol Limited - Subordinated Notes (Unlisted)	2,326	3.9	3.9
ANZPI/PJ/PK	ANZ Banking Group Limited - Capital Notes	884	1.5	1.5
ANZ29	ANZ Banking Group Limited - Fixed Subordinated Notes (Unlisted)	1,045	1.7	1.7
ANZ29	ANZ Banking Group Limited - Subordinated Notes (Unlisted)	1,029	1.7	1.7
AUS25	AusNet Services Limited - Subordinated Notes (Unlisted)	1,025	1.7	1.7
AYUPA	Australian Unity Limited - Fixed Mutual Capital Instrument	900	1.5	1.5
BOQPF	Bank of Queensland Limited - Capital Notes	584	1.0	1.0
CBA28	Commonwealth Bank of Australia Limited - Fixed Subordinated Notes(Unlisted)	534	0.9	0.9
CBA27/28	Commonwealth Bank of Australia Limited -Subordinated Notes(Unlisted)	8,820	14.7	14.7
CBAPI/PM	Commonwealth Bank of Australia Limited - Capital Notes	1,046	1.7	1.7
IAGPE	Insurance Australia Group Limited - Capital Notes	837	1.4	1.4
MAC25/27/29	Macquarie Bank Limited - Subordinated Notes (Unlisted)	1,537	2.6	2.6
MBLPC	Macquarie Bank Limited - Capital Notes	629	1.1	1.1
MQGPD/PF	Macquarie Group Limited - Capital Notes	1,313	2.2	2.2
NABPF/PH/PI/PJ/PK	National Australia Bank Limited - Capital Notes	2,596	4.3	4.3
NAB25	National Australia Bank Limited - Capital Notes (Unlisted)	512	0.9	0.9
NAB29	National Australia Bank Limited - Fixed Capital Notes (Unlisted)	444	0.7	0.7
NAB27/29	National Australia Bank Limited - Subordinated Notes (Unlisted)	1,038	1.7	1.7
QBE29	QBE Insurance Group Limited - Subordinated Notes (Unlisted)	526	0.9	0.9
RHCPA	Ramsay Healthcare Limited - Perpetual Preference Securities	811	1.4	1.4
SUNPJ	Suncorp Group Limited - Capital Notes	276	0.5	0.5
SUN27/29	Suncorp Group Limited - Subordinated Notes (Unlisted)	1,538	2.6	2.6
WBCPK/PM	Westpac Banking Corporation Limited - Capital Notes	1,703	2.8	2.8
		<b>31,953</b>	<b>53.4</b>	<b>53.4</b>
<b>Materials &amp; Energy</b>				
BHP	BHP Billiton Limited	6,611	11.0	8.6
SMR	Stanmore Resources Limited	761	1.3	1.3
WDS	Woodside Energy Group Limited	1,236	2.1	1.7
		<b>8,608</b>	<b>14.4</b>	<b>11.6</b>
<b>Property</b>				
AUHW	Australian Unity Healthcare Wholesale Fund (Unlisted)	3,071	5.1	5.1
CLW	Charter Hall Long WALE REIT	2,764	4.6	4.6
WPR	Waypoint REIT	3,272	5.5	5.5
		<b>9,107</b>	<b>15.2</b>	<b>15.2</b>
<b>Financial Services</b>				
SDF	Steadfast Group Limited	1,828	3.1	3.1
		<b>1,828</b>	<b>3.1</b>	<b>3.1</b>
<b>Utilities</b>				
ORG	Origin Energy Limited	1,016	1.7	0.3
		<b>1,016</b>	<b>1.7</b>	<b>0.3</b>
<b>Communication Services</b>				
TLS	Telstra Group Limited	266	0.4	0.3
		<b>266</b>	<b>0.4</b>	<b>0.3</b>
<b>Cash</b>				
		<b>907</b>	<b>1.5</b>	<b>12.5</b>
		<b>59,857</b>	<b>100.0</b>	<b>100.0</b>

\*Includes market value of options written against holdings

\*\*Includes option delta written against holdings

## **Directors' Report**

The Directors present their report on the Company for the year ended 30 June 2024.

### **Directors**

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

Michael Cole AM  
Neal Hornsby (appointed 1 August 2023)  
Ian Hunter (resigned 3 November 2023)  
Sam Kaplan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### **Principal activities**

The principal activity of the Company is the investment in securities listed on the Australian Securities Exchange. The primary focus emanating from this activity is the payment of fully franked dividends and the preservation of capital.

### **Review of Operations**

The profit from ordinary activities after income tax amounted to \$2.61 million (2023: \$5.47 million).

Investment revenue increased by 8% to \$3.5 million. Interest income increased by 78% reflecting the higher interest rates achieved through the Hybrid and Corporate Note holdings. Dividend income decreased by 9% reflecting in part the lower payout ratios.

Realised gains for the year were \$0.91 million, predominantly from sales in the materials, financial services and property trust sectors, including the trading of call options.

A key component of the result is the change in fair value for the year of the underlying investments, which results in the fluctuation in profit results in any year. The prior year's positive change in valuations was not sustained in certain sectors and contributed to the lower profit result. Unrealised losses of \$0.88 million primarily resulted from the underperformance of the property trust and the resources sectors.

NTA per share after provision for tax on unrealised gains was \$0.563, up 0.7% compared to the previous period. The NTA is after payment of fully franked dividends of 2.35 cents per share.

The on-market share buy-back for up to 10% of the Company's shares over 12 months continued in the 2024 financial year and 3,116,600 shares were bought back in the period to 30 June 2024.

In accordance with the Company's capital management program, the program has been extended for a further 12 months until 18 July 2025. This provides the mechanism for the Company to buy back its shares during prolonged periods of share price volatility when there is a significant discount to underlying NTA.

## Dividends

Subsequent to year end, the Directors declared a final fully franked dividend of 1.25 cents per share with record date of 6 September 2024 and payable on 27 September 2024.

The following dividends paid to members during the financial year were fully franked at the corporate tax rate of 25%:

	<b>Record Date</b>	<b>Dividend Rate</b>	<b>Total Amount \$'000</b>	<b>Date of Payment</b>	<b>% Franked</b>
<b>2024</b>					
Ordinary shares - Interim	05/03/2024	1.1cps	\$1,181	27/03/2024	100
Ordinary shares - 2023 Final	06/09/2023	1.25cps	\$1,370	27/09/2023	100

## Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year other than as disclosed in the financial statements.

## Matters subsequent to the end of the financial year

No other matter or circumstance has occurred subsequent to year 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.

## Likely developments and expected results of operations

The Company will continue to be managed in accordance with the investment objectives set out in the governing documents and in accordance with the Constitution. The Company will continue to pursue its investment objectives for the long-term benefit of the members. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns subject to the current economic climate.

## Environmental regulation

The Company is not subject to any significant environmental regulation under Commonwealth or State law.

## Information on directors

**Michael Cole AM** B Ec, M Ec, F Fin Chairman - Non-Executive Independent Director

### *Experience and expertise*

Investment manager and investment banker

### *Other current directorships of listed companies in last 3 years*

Chairman, Regal Partners Limited

### *Interests in shares*

500,000 shares

**Information on directors (continued)**

**Neal Hornsby** MIPA, MBA, DipFS(FP), CertPM, (appointed 1 August 2023)  
 Non-Executive Independent Director, Chairman, Audit Committee

***Experience and expertise***

Financial services, risk management & compliance

***Other current directorships of listed companies in last 3 years***

None

***Interests in shares***

50,000 shares

**Sam Kaplan** B Ec, MBA, F Fin Non-Executive Non-Independent Director

***Experience and expertise***

Funds management and capital management

***Other current directorships of listed companies in last 3 years***

Deputy Chairman, Qube Holdings Limited

***Interests in shares***

Details of Sam Kaplan's interests in shares of the Company included later in this report.

**Company Secretary**

The Company Secretary is Ms Natalie Climo, appointed 1 August 2024. She has worked in the corporate sector, previously as an in-house lawyer and more recently as a Company Secretary for a portfolio of ASX listed companies. She holds a Bachelor of Laws and a Graduate Diploma in Legal Practice and has extensive experience in corporate governance and board advisory of ASX listed and unlisted companies. Ms Jill Brewster will resign as Company Secretary effective 30 August 2024.

**Meetings of directors**

The number of meetings of the Company's Board of Directors and Audit Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Board meetings		Audit Committee	
	A	B	A	B
Michael Cole	4	4	2	2
Neal Hornsby *	4	4	2	2
Ian Hunter**	2	2	1	1
Sam Kaplan	3	4	0	2

\* Appointed 1 August 2023

\*\* Resigned 3 November 2023

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the Committee during the year

**Audit Committee**

The Audit Committee currently consists of Mr Neal Hornsby, Mr Michael Cole, and Mr Sam Kaplan. The Chairman is Mr Neal Hornsby, who is not the Chairman of the Board.

**Remuneration report**

This report details the nature and amount of remuneration for each Director and Key Management Personnel of Ironbark Capital Limited in accordance with the *Corporations Act 2001*.

**Remuneration policy**

The Board determines the remuneration structure of Non-Executive Directors, having regards to the scope of the Company's operations and other relevant factors including the frequency of Board meetings as well as directors' length of service, particular experience and qualifications. The Board makes a recommendation to shareholders as to the level of Non-Executive Directors' remuneration which is then put to shareholders at the Annual General Meeting for approval. The Company has no employees as the investment management and administration services are outsourced.

As the Company does not provide share or option schemes to Directors, remuneration of Non-Executives is not explicitly linked to the Company's performance. Notwithstanding this, Board members are subject to ongoing performance monitoring and regular performance reviews.

**Directors' benefits**

This report details the nature and amount paid to each Director of the Company during the financial year.

**(i) Remuneration of Directors**

The following table shows details of the remuneration received by the Directors of the Company for the current and previous financial year.

<b>2024</b>			
Name	Directors fees	Superannuation	Total
	\$	\$	\$
MJ Cole	22,000	-	22,000
NM Hornsby (appointed 1 Aug 2023)	18,169	1,998	20,167
IJ Hunter (resigned 3 November 2023)	7,517	-	7,517
S Kaplan	4,504	496	5,000
	<b>52,190</b>	<b>2,494</b>	<b>54,684</b>
<b>2023</b>			
Name	Directors fees	Superannuation	Total
	\$	\$	\$
MJ Cole	22,000	-	22,000
IJ Hunter	22,000	-	22,000
S Kaplan	5,000	-	5,000
	<b>49,000</b>	<b>-</b>	<b>49,000</b>

The Company does not provide other benefits to the independent Non-Executive Directors.

**(i) Remuneration of Directors(continued)**

The Board may determine the remuneration of Directors within the maximum amount approved by shareholders. The maximum remuneration approved was \$22,000 each per annum.

Accounting and company secretarial duties are outsourced to Kaplan Funds Management Pty Limited. Kaplan Funds Management Pty Limited is remunerated for services rendered pursuant to an Administrative Services Agreement effective 1 April 2014.

**(ii) Remuneration of Director Related Entities**

The Company has an Investment Management Agreement and an Administrative Agreement with Kaplan Funds Management Pty Ltd, the Investment Manager, such that it will manage investments of the Company, ensure regulatory compliance with all the relevant laws and regulations, and provide administrative and other services for a fee. Sam Kaplan is Managing Director of Kaplan Funds Management Pty Limited,

An entity associated with Sam Kaplan, Kaplan Partners Pty Limited, holds 100% of the shares of Kaplan Funds Management Pty Limited.

For the year ended 30 June 2024 the management fee (net of RITC) was \$311,520 (2023: \$248,932). The administrative fee for accounting and secretarial services (net of RITC) was \$64,626 (2023: \$54,294).

The terms of the Investment Management Agreement (IMA) to 31 December 2023 included a performance fee of 15% payable for any outperformance of the investment portfolio above the benchmark of 1 year swap rate plus 6%, subject to a highwater mark. As at 31 December 2023 there was no performance fee payable. (30 June 2023: Nil). Following a review of the IMA, a new IMA effective 1 January 2024 traded the performance fee for a lift in the management fee. The management fee increased from 0.4% p.a. to 0.6% p.a. and there is no performance fee.

**(iii) Equity instruments of Directors and related parties**

As at the date of this report, the relevant interest in the shares of the Company of each director and as notified to the ASX is as follows:

**2024**

<b>Name</b>	<b>Balance at the start of the year</b>	<b>Net movement</b>	<b>Balance at the end of the year</b>
<b>Ordinary shares</b>			
Michael Cole	500,000	-	500,000
Ian Hunter*	250,000	-	n/a
Neal Hornsby**	-	50,000	50,000
Sam Kaplan***	47,206,340	-	47,206,340
	<u>47,956,340</u>	<u>50,000</u>	<u>47,756,340</u>

\* Resigned 3 November 2023

\*\* Appointed 1 August 2023

\*\*\* Includes shares in which Mr Kaplan has only deemed relevant interest under the Corporations Act 2001 from which Mr Kaplan may receive no economic benefit.

### **Insurance and indemnification of officers and auditors**

During the financial 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 the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings. The Company was not party to any such proceedings during the year.

### **Non-audit services**

There were no non-audit services provided by the auditors during the year ended 30 June 2024.

### **Corporate Governance Statement**

The Company's Corporate Governance Statement for the year ended 30 June 2024 is found on the Company's website <https://ironbarkcapital.com/about/corporate-governance/>

### **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 14.

### **Rounding of amounts**

The Company is of a kind referred to in Amendment Instrument 2022/519, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts. Amounts in this Report have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



Michael J Cole AM  
Director

Sydney  
23 August 2024



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF IRONBARK CAPITAL LIMITED  
ABN 89 008 108 227**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Ironbark Capital Limited.

As the auditor for the audit of the financial report of Ironbark Capital 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:

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

MNSA PTY LTD

**MNSA Pty Ltd**

**Mark Schiliro**  
Director

Sydney  
23 August 2024

**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Statement of Profit or Loss and**  
**Other Comprehensive Income**  
**For the year ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Investment income from trading portfolio</b>			
Revenue	6	3,507	3,245
Net gains on trading portfolio	6	<u>28</u>	<u>3,814</u>
<b>Total investment income from trading portfolio</b>		<u><b>3,535</b></u>	<u><b>7,059</b></u>
<b>Expenses</b>			
Management fees	19 (b)	(311)	(249)
Brokerage expense		(29)	(20)
Accounting fees		(65)	(54)
Share registry fees		(33)	(30)
Custody fees		(31)	(29)
Tax fees		(15)	(14)
Directors' liability insurance		(34)	(37)
Legal fees		-	(8)
Directors' fees	19 (a)	(55)	(49)
ASX fees		(47)	(45)
Audit fees	17	(42)	(40)
Options expense		(13)	(12)
Other expenses		<u>(24)</u>	<u>(22)</u>
<b>Total expenses</b>		<u><b>(699)</b></u>	<u><b>(609)</b></u>
<b>Profit before income tax</b>		<b>2,836</b>	6,450
Income tax expense	7	<u>(228)</u>	<u>(980)</u>
<b>Net profit for the year</b>		<u><b>2,608</b></u>	<u><b>5,470</b></u>
Other comprehensive income/(loss) for the year net of tax		-	-
<b>Total comprehensive income for the year</b>		<u><b>2,608</b></u>	<u><b>5,470</b></u>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	22	<b>2.40</b>	<b>4.97</b>

*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 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	907	647
Trade and other receivables	9	203	285
Trading portfolio	10	58,950	60,170
Other assets		6	6
<b>Total current assets</b>		<b>60,066</b>	<b>61,108</b>
<b>Non- current assets</b>			
Deferred tax assets	12	1,247	1,563
<b>Total non-current assets</b>		<b>1,247</b>	<b>1,563</b>
<b>Total assets</b>		<b>61,313</b>	<b>62,671</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	123	65
Current tax liabilities		542	317
<b>Total current liabilities</b>		<b>665</b>	<b>382</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	14	563	875
<b>Total non-current liabilities</b>		<b>563</b>	<b>875</b>
<b>Total liabilities</b>		<b>1,228</b>	<b>1,257</b>
<b>Net assets</b>		<b>60,085</b>	<b>61,414</b>
<b>Equity</b>			
Issued capital	15	58,864	60,250
Profit reserve		10,060	9,751
Accumulated losses		(8,839)	(8,587)
<b>Total equity</b>		<b>60,085</b>	<b>61,414</b>

*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 year ended 30 June 2024**

Notes	Issued capital \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 1 July 2023</b>	<b>60,250</b>	<b>9,751</b>	<b>(8,587)</b>	<b>61,414</b>
Profit for the year	-	-	2,608	2,608
Transfer to profit reserve	-	2,860	(2,860)	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,860</b>	<b>(252)</b>	<b>2,608</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	16(a)	-	(2,551)	-
Buy-back of shares	15(c)	(1,386)	-	-
<b>Balance at 30 June 2024</b>	<b>58,864</b>	<b>10,060</b>	<b>(8,839)</b>	<b>60,085</b>
<b>Balance at 1 July 2022</b>	<b>60,475</b>	<b>6,869</b>	<b>(8,587)</b>	<b>58,757</b>
Profit for the year	-	-	5,470	5,470
Transfer to profit reserve	-	5,470	(5,470)	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>5,470</b>	<b>-</b>	<b>5,470</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	16(a)	-	(2,588)	-
Buy-back of shares	15(c)	(225)	-	-
<b>Balance at 30 June 2023</b>	<b>60,250</b>	<b>9,751</b>	<b>(8,587)</b>	<b>61,414</b>

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

**Consolidated entity disclosure statement**

The Company is not required to prepare consolidated financial statements by Australian Accounting Standards. Accordingly, in accordance with section 295(3A) of the Corporations Act 2001 (Cth), no further information is required to be disclosed in this consolidated entity disclosure statement.

**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Statement of Cash Flows**  
**For the year ended 30 June 2024**

	Notes	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Interest received		1,149	603
Net proceeds/(payments) of trading portfolio		1,249	(458)
Dividends and trust distributions received		2,443	2,620
Other income received		-	1
Management fees paid		(301)	(248)
Other expenses paid		(392)	(359)
<b>Net cash inflow from operating activities</b>	21	<b>4,148</b>	<b>2,159</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	16(a)	(2,551)	(2,588)
Payments for shares bought back		(1,337)	(223)
<b>Net cash (outflow) from financing activities</b>		<b>(3,888)</b>	<b>(2,811)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>260</b>	<b>(652)</b>
Cash and cash equivalents at beginning of financial year		<b>647</b>	<b>1,299</b>
<b>Cash and cash equivalents at the end of the financial year</b>	8	<b>907</b>	<b>647</b>

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

## 1. General information

Ironbark Capital Limited (the "Company") is a listed public company domiciled in Australia. The address of Ironbark Capital Limited's registered office is Level 8, 210 George Street, Sydney, NSW 2000. The financial statements of Ironbark Capital Limited are for the year ended 30 June 2024. The Company is primarily involved in making investments and deriving revenue and investment income from listed securities, wholesale fixed interest securities and unit trusts in Australia.

## 2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity Ironbark Capital Limited.

### (a) 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 and the *Corporations Act 2001*. The Company is a 'for profit' entity.

The Financial Statements were authorised for issue by the directors on 23 August 2024.

#### (i) *Compliance with IFRS*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

#### (ii) *New and amended standards adopted by the Company*

The following amendments to the accounting standards became applicable from 1 January 2024, but do not have an impact on the Financial Statements of the Company:

*AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Noncurrent and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants.*

#### (iii) *Historical cost convention*

These Financial Statements have been prepared under the accruals basis and are based on historical cost convention, except that financial instruments are stated at their fair value through profit or loss.

## 2. Significant accounting policies (continued)

(iv) *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, refer to Note 4.

### (b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and trade allowances.

(i) *Trading income*

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Profit or Loss and Other Comprehensive Income in the year they are earned/incurred.

(ii) *Dividends and trust distributions*

Dividends and trust distributions are recognised as revenue when the right to receive payment is established.

(iii) *Interest income*

Interest income is recognised using the effective interest method.

(iv) *Other income*

The Company recognises other income when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described above.

### (c) Income tax

The income tax expense (or tax benefit) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

## 2. Significant accounting policies (continued)

### (c) Income Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, 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.

### (e) 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 impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

### (f) Trading portfolio

#### **Classification**

The trading portfolio comprises securities held for short term trading purposes, including exchange traded option contracts that are entered into, as described below. The purchase and the sale of securities are accounted for at the date of trade. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

Options are initially brought to account at the amount received upfront for entering the contract (the premium) and subsequently revalued to current market value. Increments and decrements are taken through the Statement of Profit or Loss and Other Comprehensive Income.

Securities in the trading portfolio are classified as "assets measured at fair value through profit or loss".

#### **Recognition and derecognition**

Purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### **Measurement**

At initial recognition, the Company measures a financial asset or financial liability at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent to initial recognition, the financial instruments are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

## 2. Significant accounting policies (continued)

### (f) Trading Portfolio (continued)

When disposal of an investment occurs, the cumulative gain or loss is recognised as realised gains and losses on trading portfolio in the Statement of Profit or Loss and Other Comprehensive Income.

The objective of determining fair value for a financial instrument that is traded in an active market is to arrive at the price at which a transaction would occur at the end of the reporting period. The existence of published price quotations in an active market is the best evidence of fair value and is used to measure the financial asset or financial liability.

Financial assets are valued at their fair value without any deduction for transaction costs that may be incurred on sale or other disposal. Certain costs in acquiring investments, such as brokerage and stamp duty are expensed in the Statement of Profit or Loss and Other Comprehensive Income.

### (g) Derivatives

The Company may invest in financial derivatives. Derivative financial instruments are accounted for on the same basis as the underlying investment exposure. Gains and losses relating to derivatives are included in investment income as part of realised or unrealised gains and losses on investments.

### (h) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year that remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### (i) 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.

### (j) Profit reserve

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

### (k) Dividends

In accordance with the *Corporations Act 2001*, the Company may pay a dividend where the Company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the Company's shareholders as a whole and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

It is the Directors' policy to only pay fully franked dividends and to distribute the majority of franking credits received each year. 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.

A provision for dividends payable is recognised in the reporting period in which dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

## 2. Significant accounting policies (continued)

### (l) Earnings per share

#### (i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

### (m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the 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 ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO and are presented as operating cash flows.

### (n) 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 financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### (o) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

### (p) Operating Segments

The Company operated in Australia only and the principal activity is investment.

## 2. Significant accounting policies (continued)

### (q) New accounting standards for application in future periods

The following new accounting standards and interpretations, have been published that are not mandatory for 30 June 2024 reporting periods and have not yet been adopted in the financial statements:

*IFRS S1 – General requirements for disclosure of sustainability – related financial information*

*IFRS S2 – Climate related disclosures*

The above accounting standards are effective for annual reporting periods on or after 1 January 2025. None of these have a material impact on the financial statements.

## 3. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

### (a) Market risk

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### (i) Price risk

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as trading portfolio.

The Company seeks to manage and constrain market risk by diversification of the investment portfolio across multiple stocks and industry sectors. The Investment Manager of the trading portfolio has been granted specific risk tolerance boundaries as set out in the Investment Management Agreement.

The Company's investments split by sector as at 30 June are set out below:

Sector	2024 (%)	2023 (%)
Financials	10.3	14.2
Property	15.2	18.9
Materials & Energy	14.4	15.6
Financial Services	3.1	3.9
Communication Services	0.4	0.3
Utilities	1.7	0.2
Corporate floating rate notes	18.7	19.9
Subordinated notes	32.4	23.5
Fixed rate notes	2.3	2.4
Cash	1.5	1.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### 3. Financial risk management (continued)

#### (a) Market risk (continued)

##### (i) Price risk (continued)

Securities representing over 5 percent of the trading portfolio at 30 June 2024 were:

	2024 (%)
Australian Unity Healthcare Property Fund	5.1
BHP Billiton Limited	8.6
Waypoint REIT	5.5
	19.2

The Company is also not directly exposed to currency risk as all its investments are quoted in Australian dollars.

The following table illustrates the effect on the Company's profit or loss based on an increase or fall in market prices of 5% and 10% on the investment assets in the Company's portfolio at reporting date, assuming a flat tax rate of 25 percent (2023: 25 percent):

Index	Impact on post-tax profit			
	2024		2023	
	\$'000	\$'000	\$'000	\$'000
Change in variable by +5%/-5% (2023: +5%/-5%)	2,211	(2,211)	2,256	(2,256)
Change in variable by +10%/-10% (2023: +10%/-10%)	4,421	(4,421)	4,513	(4,513)

This illustration does not take into account covered call option positions

##### (ii) Cash flow and fair value interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The table below summarises the Company's exposure to interest rate risk. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

#### 30 June 2024

	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	907	-	-	907
Trade and other receivables	-	-	203	203
Trading portfolio	30,610	1,344	26,996	58,950
Other assets	-	-	6	6
	31,517	1,344	27,205	60,066
<b>Financial liabilities</b>				
Trade and other payables	-	-	(123)	(123)
Current tax liability	-	-	(542)	(542)
	-	-	(665)	(665)
Net exposure	31,517	1,344	26,540	59,401

### 3. Financial risk management (continued)

#### (a) Market risk (continued)

##### (ii) Cash flow and fair value interest rate risk (continued)

30 June 2023	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	647	-	-	647
Trade and other receivables	-	-	285	285
Trading portfolio	26,392	1,428	32,350	60,170
Other assets	-	-	6	6
	27,039	1,428	32,641	61,108
<b>Financial liabilities</b>				
Trade and other payables	-	-	(65)	(65)
Current tax liability	-	-	(317)	(317)
	-	-	(382)	(382)
Net exposure	27,039	1,428	32,259	60,726

The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2024 is 3.22% pa (2023: 1.07% pa).

#### *Sensitivity*

At 30 June 2024, if interest rates had increased or decreased by 75 basis points from the year end rates with all other variables held constant, post-tax profit for the year would have been \$177,282 higher/\$177,282 lower (2023: changes of 75 bps/75 bps: \$152,096 higher/\$152,096 lower).

#### (b) Credit risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. There are no material amounts of collateral held as security at 30 June 2024.

Credit risk is managed as noted in Note 8 with respect to cash and cash equivalents, Note 9 for trade and other receivables and Note 10 for floating rate note trading portfolio. None of these assets are overdue or considered to be impaired.

#### (c) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager monitors cash-flow requirements daily taking into account upcoming dividends, tax payments and investing activity.

The Company's inward cash flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Investment Manager. The assets of the Company are largely in the form of readily tradable securities which can be sold on-market if necessary.

### 3. Financial risk management (continued)

#### (c) Liquidity risk (continued)

The table below analyses the Company's non-derivative financial liabilities in relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the year-end date. The amounts in the table are contractual undiscounted cash flows.

#### Contractual maturities of financial liabilities

At 30 June 2024	Less than 1 month \$'000	More than 1 month \$'000
<b>Non-derivatives</b>		
Trade and other payables	123	-
Current tax liability	-	542
Total non-derivatives	123	542
At 30 June 2023	Less than 1 month \$'000	More than 1 month \$'000
<b>Non-derivatives</b>		
Trade and other payables	65	-
Current tax liability	-	317
Total non-derivatives	65	317

#### (d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

### 3. Financial risk management (continued)

#### (d) Fair value measurements (continued)

The following table presents the Company's financial assets and liabilities (by class) measured and recognised at fair value according to the fair value hierarchy at 30 June 2024 and 30 June 2023:

#### 30 June 2024

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Trading portfolio	35,505	23,445	-	58,950
<b>Total</b>	<b>35,505</b>	<b>23,445</b>	<b>-</b>	<b>58,950</b>

#### 30 June 2023

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Trading portfolio	42,750	17,420	-	60,170
<b>Total</b>	<b>42,750</b>	<b>17,420</b>	<b>-</b>	<b>60,170</b>

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and loans.

### 4. Critical accounting estimates and judgments

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

### 5. 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, distribution and interest income and from the sale of its trading portfolio.

## 6. Investment income

	2024 \$'000	2023 \$'000
<i>Revenue</i>		
Dividends	1,788	1,966
Interest	1,108	623
Distributions	611	655
Other income	-	1
	<u>3,507</u>	<u>3,245</u>
 <i>Net gains/(losses) on trading portfolio</i>		
Net realised gains on trading portfolio	906	1,659
Net unrealised (losses)/gains on trading portfolio	(878)	2,155
	<u>28</u>	<u>3,814</u>
	<u>3,535</u>	<u>7,059</u>

## 7. Income tax expense

### (a) Income tax expense recognised in the Statement of Profit or Loss and Other Comprehensive Income

	2024 \$'000	2023 \$'000
Current tax	541	317
Deferred tax	(313)	663
	<u>228</u>	<u>980</u>
 <i>Income tax expense is attributable to:</i>		
Profit from continuing operations	<u>228</u>	<u>980</u>

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	2024 \$'000	2023 \$'000
Profit from continuing operations before income tax expense	2,836	6,450
Tax at the Australian rate of 25% (2023: 25%)	709	1,612
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(698)	(770)
Imputation gross up on dividend income	175	195
Timing differences	(69)	117
Realised taxable investment gain	374	303
Realised accounting investment (gain)	(227)	(414)
Adjustments for current tax of prior year	(36)	(63)
Income tax expense	<u>228</u>	<u>980</u>

## 8. Cash and cash equivalents

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	<b>907</b>	<b>647</b>

### Risk exposure

The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash investments are made with National Australia Bank Limited which is rated AA- (2023: AA-) by Standard & Poor's.

## 9. Trade and other receivables

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends and distributions receivable	<b>193</b>	237
Interest receivable	-	41
GST receivable	<b>10</b>	7
	<b>203</b>	<b>285</b>

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. None of the receivables is past due or impaired at the end of the reporting period.

### Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

### Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

## 10. Trading portfolio – held at fair value through profit or loss

	2024 \$'000	2023 \$'000
Listed equities	17,890	20,834
Property trusts - listed	6,037	8,012
Property trusts - unlisted	3,070	3,504
Floating rate capital notes - listed	10,679	11,590
Floating rate capital notes - unlisted	512	511
Fixed rate notes - listed	900	1,007
Fixed rate notes - unlisted	444	421
Subordinated notes- listed	-	1,308
Subordinated notes- unlisted	19,418	12,983
	<b>58,950</b>	<b>60,170</b>

The value of the trading portfolio includes the market value of options written against holdings (note 11).

### Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in note 3.

## 11. Derivative financial instruments

In the normal course of business, the Company enters into transactions in derivative financial instruments with certain risks. A derivative is a financial instrument or other contract whose value depends on, or is derived from, underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps.

Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of the Company's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multi-faceted and includes:

- (i) hedging to protect an asset of the Company against a fluctuation in market values or to reduce volatility;
- (ii) as a substitute for physical securities; and
- (iii) adjustment of asset exposures within the parameters set out in the investment strategy.

The Company holds the following derivative instruments:

### Exchange Traded Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy a call option or buy a put option at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price. Options held are exchange traded call options.

## 11. Derivative financial instruments (continued)

At year end, the notional principal amounts of derivatives held by the Company were as follows:

	Notional principal amounts 2024 \$'000	Notional principal amounts 2023 \$'000
Australian exchange traded options	<u>(755)</u>	<u>(471)</u>

## 12. Deferred tax assets

	2024 \$'000	2023 \$'000
<b>The balance comprises temporary differences attributable to:</b>		
Tax losses	1,235	1,552
Other temporary differences	12	11
	<u>1,247</u>	<u>1,563</u>
<b>Movements:</b>		
Opening balance:	1,563	2,064
Charged/credited:		
- to profit or loss	(316)	(501)
	<u>1,247</u>	<u>1,563</u>

## 13. Trade and other payables

		2024 \$'000	2023 \$'000
	Notes		
Management fees payable	19(c)	32	22
Unsettled purchases		50	3
Other payables		41	40
		<u>123</u>	<u>65</u>

## 14. Deferred tax liabilities

	2024 \$'000	2023 \$'000
<b>The balance comprises temporary differences attributable to:</b>		
Accrued income	-	10
Unrealised gains on investments	563	865
	563	875
<b>Movements:</b>		
Opening balance	875	213
Charged/credited	(313)	663
- to profit or loss	1	(1)
- prior year adjustment	563	875
	563	875

## 15. Issued capital

### (a) Issued capital

	30 June 2024 Shares	30 June 2023 Shares	2024 \$'000	2023 \$'000
Ordinary shares - fully paid	106,541,501	109,658,101	58,864	60,250

### (b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### (c) Movements in ordinary share capital

	Number of shares	\$'000
Balance at 1 July 2023	109,658,101	60,250
Less:		
On-market share buy-back	(3,116,600)	(1,386)
Balance at 30 June 2024	106,541,501	58,864

	Number of shares	\$'000
Balance at 1 July 2022	110,154,394	60,475
Less:		
On-market share buy-back	(496,293)	(225)
Balance at 30 June 2023	109,658,101	60,250

## 15. Issued capital (continued)

### (d) Dividend reinvestment plan

Under the Company's dividend reinvestment plan (DRP), additional shares are allotted at a price calculated at 97.5% of the weighted average share price. The DRP is currently suspended and as such, there were no shares issued under the dividend reinvestment plan during the year.

### (e) Capital risk management

To achieve this, the Board of Directors monitor the monthly NTA results, investment performance, the Company's Indirect Cost Ratio (formerly known as 'Management Expense Ratio') and share price movements.

The Company is not subject to any externally imposed capital requirements.

## 16. Dividends

### (a) Dividends paid during the year

	2024 \$'000	2023 \$'000
Final dividends	1,370	1,377
Interim dividends	1,181	1,211
	2,551	2,588

#### Dividends not recognised at the end of the year

On 23 August 2024, the Directors declared a final dividend of 1.25 cents per share fully franked payable on 27 September 2024, with a record date of 6 September 2024. The aggregate amount of the proposed final dividend to be paid out of the Profit Reserve at the end of the year but not recognised as a liability is:

	1,330	1,370
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### (b) Dividend franking account

	2024 \$'000	2023 \$'000
<b>Opening balance of franking account</b>	397	490
Franking credits on dividends received	698	770
Franking credits on ordinary dividends paid	(850)	(863)
<b>Closing balance of franking account</b>	245	397
Franking credits on dividends received after year end	32	44
	32	44
	277	441

## 16. Dividends (continued)

### (c) Dividend rate

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
<b>2024</b>					
Ordinary shares - Final	06/09/2024	1.25cps	\$1,330	27/09/2024	100
Ordinary shares - Interim	05/03/2024	1.1cps	\$1,181	27/03/2024	100
<b>2023</b>					
Ordinary shares - Final	06/09/2023	1.25cps	\$1,370	27/09/2023	100
Ordinary shares - Interim	07/03/2023	1.1cps	\$1,211	30/03/2023	100

The dividends are fully franked at the corporate tax rate of 25% (2023:25%).

## 17. Remuneration of auditors

During the year the following fees were paid or payable (GST inclusive) for services provided by the auditor of the Company, its related practices and non-related audit firms:

	30 June 2024 \$'000	30 June 2023 \$'000
<i>Audit and other assurance services</i>		
MNSA Pty Ltd - Audit and review of financial statements	42	40

## 18. 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 30 June 2024 (2023: nil).

## 19. Related party transactions

### (a) Key management personnel

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term benefits	55	49

### (b) Transactions with other related parties

The Company has an Investment Management Agreement with Kaplan Funds Management Pty Ltd such that it will manage investments of the Company, ensure regulatory compliance with all the relevant laws and regulations, and provide administrative and other services for a fee.

The terms of the Investment Management Agreement (IMA) to 31 December 2023 included a performance fee of 15% payable for any outperformance of the investment portfolio above the benchmark of 1 year swap rate plus 6%, subject to a highwater mark. As at 31 December 2023 there was no performance fee payable. (30 June 2023: Nil)

Following a review of the IMA, a new IMA effective 1 January 2024 traded the performance fee for a lift in the management fee. The management fee increased from 0.4% p.a. to 0.6% p.a. and there is no performance fee.

The following transactions occurred with related parties (net of RITC):

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Management fees paid or payable	311	249

### (c) Outstanding balances

The following balances (GST inclusive) are outstanding at the end of the reporting period in relation to transactions with related parties:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Management fees paid or payable	311	249

### (d) Terms and conditions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## 20. Events occurring after the reporting period

Other than noted elsewhere in this report, the Directors are not aware of any matter or circumstance that has occurred subsequent to year 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.

## 21. Reconciliation of profit after income tax to net cashflow from operating activities

	2024	2023
	\$'000	\$'000
Profit for the year	2,608	5,470
Unrealised losses/(gains) on trading portfolio	878	(2,155)
Realised (gains) on trading portfolio	(906)	(1,659)
Distribution reinvestment	-	-
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	82	(21)
Increase in trade and other payables	9	3
Increase in tax	228	980
Decrease/(increase) in trading portfolio	1,249	(459)
Net cash inflow from operating activities	4,148	2,159

## 22. Earnings per share

### (a) Basic earnings per share

	2024	2023
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	2.40	4.97
Total basic earnings per share attributable to the ordinary equity holders of the company	2.40	4.97

### (b) Diluted earnings per share

	2024	2023
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	2.40	4.97
Total diluted earnings per share attributable to the ordinary equity holders of the company	2.40	4.97

Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

### (c) Weighted average number of shares used as denominator

	2024	2023
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	108,620,928	110,079,696

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 15 to 37 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the entity's financial position as at 30 June 2024 and of its performance for the 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;
- (c) note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- (d) the consolidated entity disclosure statement required by section 295 (3A) of the *Corporations Act 2001 (Cth)* is true and correct.

The Directors have been given a declaration by Jill Brewster on behalf of Kaplan Funds Management Pty Limited, as a person who performs the Chief Executive functions of the Company, required by section 295A of the *Corporations Act 2001*.

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



Michael J Cole AM  
Director

Sydney  
23 August 2024



**INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
IRONBARK CAPITAL LIMITED  
ABN 89 008 108 227**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Ironbark Capital 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 a summary of significant accounting policies, 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*.

The financial report also complies with the International Financial Reporting Standards as disclosed in Note 2(a).

**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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 for the year ended 30 June 2024. 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.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><i>Valuation and Existence of Trading Portfolio</i></p> <p>The trading portfolio at 30 June 2024 comprised of listed, unlisted equity investments and exchange traded options of \$59 million which constitutes 96% of the Company's total assets.</p> <p>We focused on the valuation and existence of investments as trading investment represents the principal element of the net asset value disclosed on the Statement of Financial Position.</p>	<p>We tested the valuation of investments by vouching the share prices to independent market pricing information multiplying the investment quantity held as at 30 June 2024, to ensure they are fairly stated.</p> <p>We agreed the existence of a sample of purchases and sales that occurred during the period to the contract notes of investments; and agreeing the contract notes to the purchases and sales reports.</p> <p>We assessed the disclosure in the financial statements with reference to the requirements of the accounting standards.</p>
<p><i>Revenue from Trading Portfolio</i></p> <p>Auditing Standard ASAs presume there are risks of fraud in revenue recognition unless rebutted.</p> <p>We focused on the cut-off, accuracy and completeness of dividend revenue, interest, dividend receivables and interest receivables.</p>	<p>We assessed the accounting policy for revenue recognition for compliance with accounting standards and performed testing to ensure that revenue had been accounted for in accordance with the accounting policy.</p> <p>We tested the accuracy and completeness of dividend revenue by agreeing the dividends and distributions of a sample of investments to supporting documentation obtained from share registries.</p> <p>We tested cut-off of dividend revenue and dividend receivables by checking the dividend details of a sample of investments from external market information and ensured that dividends that were declared before, but payable after, the reporting date were recorded.</p>

There were no restrictions on our reporting of Key Audit Matters.



### **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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 within the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Ironbark Capital Limited for the year ended 30 June 2024 complies with s 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 s300A 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.

MNSA PTY LTD

### MNSA Pty Ltd

### Mark Schiliro

Director

Sydney

23 August 2024.

## Shareholder Information

As at 5 August 2024 there were 1,486 shareholders of fully paid ordinary shares in Ironbark Capital Limited (ASX:IBC). These holdings were distributed as follows:

Holdings Range	No. of Shareholders	Shares	%
1-1,000	273	92,626	0.1
1,001-5,000	326	951,311	0.9
5,001-10,000	184	1,377,414	1.3
10,001-100,000	601	19,704,681	18.5
100,001 and over	102	84,318,661	79.2
<b>Total</b>	<b>1,486</b>	<b>106,444,693</b>	<b>100.0</b>

There were 282 shareholders holding less than a marketable parcel of \$500 (1,136 shares).

## Major Shareholders

The top 20 shareholders as at 5 August 2024 are listed below:

Holder Name	Number Held	%
KAPLAN PARTNERS PTY LIMITED	41,838,109	39.31%
NATIONAL NOMINEES LIMITED	9,771,892	9.18%
MRS GLENDA CLAIRE ORGILL	2,690,348	2.53%
AGO PTY LTD <SUPERANNUATION FUND A/C>	2,631,056	2.47%
LIANGROVE MEDIA PTY LIMITED	1,943,456	1.83%
BOND STREET CUSTODIANS LIMITED <MCGOL - I27406 A/C>	1,489,077	1.40%
LIANGROVE GROUP PTY LTD	1,166,081	1.10%
MR ANTHONY GEOFFREY HARTNELL	721,100	0.68%
DR MARK BOFINGER	679,999	0.64%
IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	671,650	0.63%
MISS SAMANTHA ORGILL	668,260	0.63%
BOND STREET CUSTODIANS LIMITED <DAKRET - V47560 A/C>	618,750	0.58%
DANEJON PTY LIMITED <DANEJON SUPER FUND A/C>	600,000	0.56%
WENTRADING PTY LTD <WENTRADING SUPER FUND A/C>	584,293	0.55%
PAMELA JOY KIESSLING & RICHARD ALBERT JOHNSON & SALLY JANE ARMSTRONG <EST ROBIN F ARMSTRONG A/C>	546,725	0.51%
DELTA ASSET MANAGEMENT PTY LTD <SUPER FUND A/C>	500,000	0.47%
ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	500,000	0.47%
MRS MARGARET HAMILTON POTTS	500,000	0.47%
MR WEI XIE & MS YUN CHU	463,345	0.44%
MR GILLES THOMAS KRYGER	421,922	0.40%
	<u>69,006,063</u>	<u>64.85%</u>
<b>Total Securities as per Register</b>	<b>106,444,693</b>	

### **Voting rights**

The Constitution provides for votes to be cast for fully paid ordinary shares as follows:

- i. on a show of hands, one vote for each shareholder; and
- ii. on a poll, one vote for each share held.

### **Substantial shareholders**

As at 5 August 2024 the name and holding of each substantial holder as disclosed in the notice received by Ironbark Capital in respect of the shareholder and their associates:

<b>Holder Name</b>	<b>Notice Date</b>	<b>Ordinary Shares</b>	
		<b>Shareholding</b>	<b>%</b>
KAPLAN PARTNERS PTY LIMITED	20-May-24	46,864,158	43.81%

### **On-market buy-back**

The Company has extended the on-market buy-back arrangement that was in place for the 12 months to 19 July 2024. It continues for another 12 months for the buy-back of up to 10% of the Company's shares commencing 22 July 2024.

### **Investment Management Agreement**

The Investment Management Agreement is with Kaplan Funds Management Pty Limited, the Investment Manager. The terms of the Investment Management Agreement (IMA) to 31 December 2023 included a performance fee of 15% payable for any outperformance of the investment portfolio above the benchmark of 1 year swap rate plus 6%, subject to a highwater mark. As at 31 December 2023 there was no performance fee payable. (30 June 2023: Nil). Following a review of the IMA, a new IMA effective 1 January 2024 traded the performance fee for a lift in the management fee. The management fee increased from 0.4% p.a. to 0.6% p.a. and there is no performance fee.

### **Transaction Summary**

The Company recorded 563 security transactions (including options) during the financial year. Brokerage paid during the year net of RITC claimable was \$28,783.