

IRONBARK CAPITAL

ABN 89 008 108 227

TO: ASX MARKET ANNOUNCEMENTS OFFICE
COMPANY: ASX LIMITED
FROM: IRONBARK CAPITAL LIMITED
DATE: 25 September 2015

2015 Annual Report and Notice of Annual General Meeting

The 2015 Annual Report, Notice of Meeting and Proxy Form are attached and have been sent to shareholders today.

J Brewster
Company Secretary

Ironbark Capital Limited
ABN 89 008 108 227

Annual Report
For the year ended 30 June 2015

Annual Report
For the year ended 30 June 2015

Contents

	Page
Corporate Directory	1
Review of Operations and Activities	2
Corporate Governance Statement	4
Investment Manager Report	5
Portfolio Shareholdings at 30 June 2015	8
Directors' Report	10
Auditor's Independence Declaration	16
Financial Statements	17
Directors' Declaration	39
Independent Auditor's Report to the Members	40
Shareholder Information	42

Directors	Michael J Cole 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
Principal Registered Office	Level 22 44 Market Street Sydney NSW 2000 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 Level 22 44 Market Street Sydney NSW 2000 Telephone: (02) 8917 0300
Accounting & Administration	Kaplan Funds Management Pty Ltd Level 22, 44 Market Street Sydney NSW 2000 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

Review of Operations and Activities

From a shareholder's perspective, we believe that what is important is how the NTA has moved, the dividends paid and the effect of capital raising.

The Ironbark Capital Limited ("Ironbark") portfolio lifted 2.8% over the period after inclusion of franking and dividend. This level underperformed the new benchmark (one year swap interest rate plus 6%) by 5.6% The Ironbark performance reflects the Investment Manager's absolute return focus, the portfolio's balanced structure and income emphasis.

Preservation of shareholder capital continues to be paramount and the markedly lower volatility of the IBC portfolio means that the embedded risk is lower than the market.

The minimisation of the share price discount to NTA and the payment of fully franked dividends continue to be the Directors' focus.

Ironbark's capacity to pay fully franked dividends continues to depend on the accumulation of franking credits and income generation. Ironbark distributed fully franked dividends of 3.0 cents per share in FY15 and will continue to pay fully franked dividends as corporate profits create the opportunity to do so. Whilst these dividends are declared on an irregular basis they will be paid twice a year at the end of December and June/July to be most cost efficient. The most recent dividend deviated from the June payment date and was paid earlier in April due to the Buy-Back.

In September 2014, Ironbark announced the successful completion of its 1:10 non-renounceable Entitlement Offer and Shortfall Offer raising \$7.8 million, which closed oversubscribed. The offer attracted strong support with approximately 78% take-up of the Entitlement Offer of shares by eligible shareholders. Oversubscriptions under the Shortfall Offer were scaled back pro-rata in proportion to each applicant's shareholding as at the Record Date.

Ironbark Buy-Back

At the Ironbark General Meeting held on 30 April 2015, the shareholders approved a resolution for Ironbark to conduct a buy-back by an off-market tender process ('Buy-Back'). This Buy-Back provided the opportunity for Ironbark shareholders to tender all or some of their shares and either:

- Exit their investment in Ironbark at NTA less transaction costs and deferred tax asset, or
- Continue their investment in Ironbark, accessing Ironbark's investment style with its income focus, a relevant part of an investor's portfolio in today's climate of low interest rates.

A total of 26.51% of the issued shares were tendered by Ironbark shareholders under the Buy-Back and the Buy-Back price of 55.2 cents per share was entirely a capital component. As a result of the Buy-Back, as at 27 July 2015 the total number of shares on issue is 125,820,582.

It is the Board's view that the buy-back mechanism was successful in closing the share price discount to NTA. The intention is to offer a buy-back every three years for this purpose. This will assist to positively influence the share price to fully reflect the NTA per share between share buyback events.

Ironbark Corporate Outlook

In recent times, there has been a lot of capital raising activity in the LIC sector with their growing appeal particularly to SMSF investors. Notwithstanding the recent Buy-Back of shares, this may present opportunities to raise additional equity going forward through rights issues, share purchase plans or the dividend reinvestment scheme. It is our view there continues to be investor demand for a low volatility, absolute return and fully franked dividend focussed investment portfolio offered in a LIC structure.

Ironbark Management Expense Ratio (MER)

A key determinant of the Ironbark MER is the investment manager payments by way of the base rate and incentive payments.

As previously indicated, the Directors in conjunction with the fund manager, Kaplan Funds Management (KFM) have reviewed the investment management agreement. It was agreed a management fee at a reduced rate of 0.40% pa would apply from 1 July 2015. This will assist in lowering the MER of Ironbark to a very competitive level by peer group benchmarks. We estimate for FY 2016 the MER will be less than 1%.

The Directors believe that performance fees are an important tool to align the interests of the key stakeholders of the shareholders and the fund manager. Accordingly the performance incentive has been adjusted from an ASX relative benchmark to an absolute return.

Commencing 1 July 2014 performance has been measured by reference to the one year interest swap rate plus 6%. This aligns with current interest rates and approximates to 9% per annum. The investment return includes the benefit of franking credits received in the calculation. The performance fee benchmark has been reset and applied for the 2015 financial year. A highwater mark applies within each 3 year reset period.

The Directors believe the revised performance fee structure better aligns with the Ironbark investment strategy to protect shareholders' capital through a low volatility portfolio.

Conclusion

The Directors will continue to set a policy direction for Ironbark consistent with our view of the best opportunities for the company in the current investment climate.

Michael J Cole
Chairman

Corporate Governance Statement

The Board of Ironbark Capital Limited are committed to achieving high standards of corporate governance. Ironbark Capital Limited has reviewed its corporate governance practices against the ASX Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2015 Corporate Governance Statement is dated as at 30 June 2015 and reflects the corporate governance practices in place throughout the 2015 financial year. The 2015 Corporate Governance statement was approved by the Board on 12 August 2015.

The Corporate Governance Statement can be viewed on the Company's website at www.ironbarkcapital.com and click on Corporate Governance.

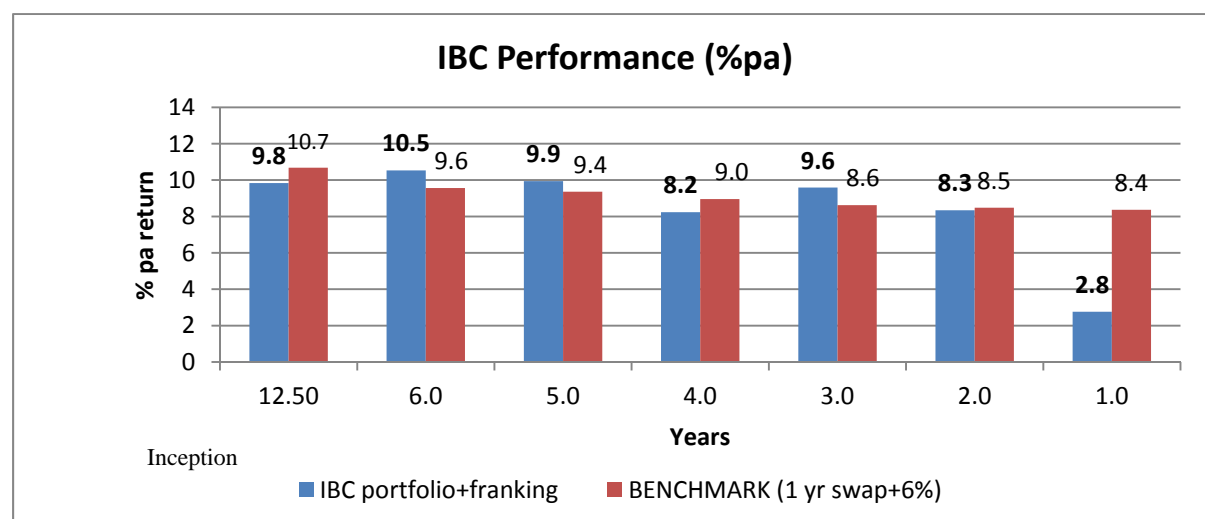
Investment Manager Report

The manager's focus is to deliver consistent returns and a high fully franked dividend yield from the portfolio. Commensurate with its investment objective IBC adopted a new performance benchmark, being the 1 year swap rate plus 6%. Performance measurement now includes franking credits as franking credits are a significant source of return from IBC's hybrid investments and for shareholders.

IBC recorded a portfolio return of 2.8% for the 2015 financial year and 9.8%pa since inception over 12.5 years including two years of the disastrous GFC. Over the medium 3-6 year term the return has ranged from 8.2%pa to 10.5%pa.

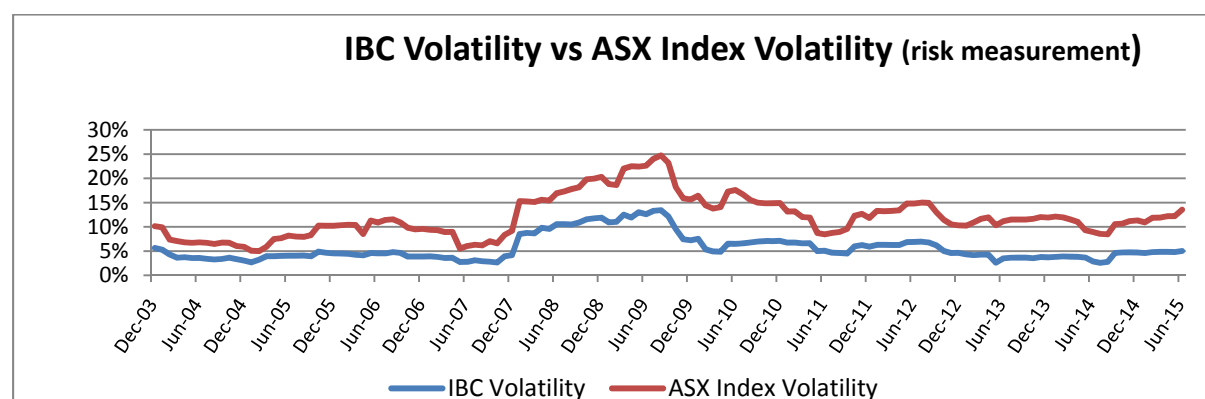
The focus on income generation and capital preservation from a balanced portfolio structure has delivered these returns with low to medium volatility. By comparison, IBC's portfolio risk as measured by volatility has consistently ranged between 40%-50% of the ASX Index volatility.

The portfolio supported dividend payments of 3 cents per share fully franked over the financial year, representing a grossed up dividend yield of 7.9% based on the share price at the beginning of the period.



Period	12.5 yrs	6 yrs	5 yrs	4 yrs	3 yrs	2 yrs	1 yrs
\$100 is worth*	\$274	\$196	\$166	\$142	\$131	\$114	\$104

(*share price return with reinvestment assumption plus franking credits)



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 BHP, Telstra and other leading companies.

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 well diversified with investments in 27 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 floating rate securities, which benefit from higher interest rates with little duration risk.

Approximately 36% of the portfolio was held in hybrids and corporate bonds and 38.6% in buy & writes in Banks, Telstra and BHP. Of the balance, 22% was held in cash, 2% in mid cap companies and 1.4% in property trusts.

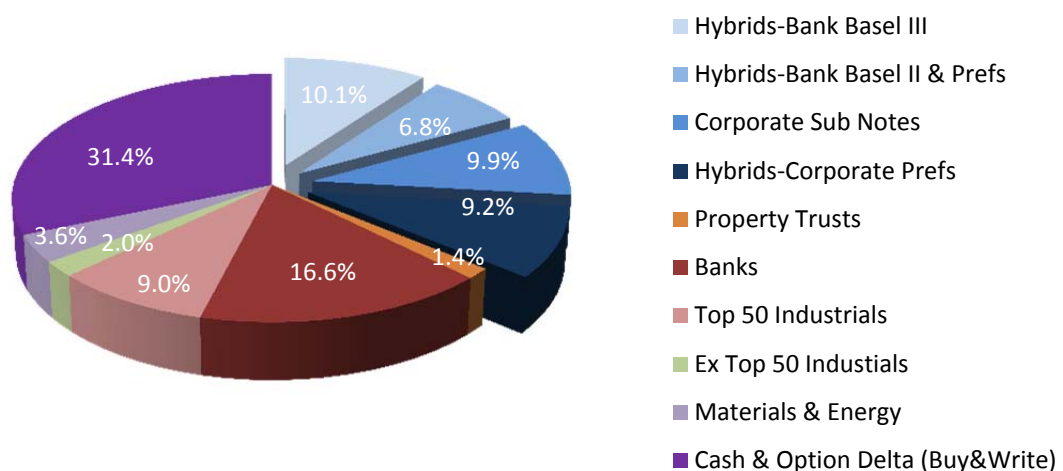
Option writing reduced the total portfolio market exposure by 9.5% to 68.6% with the balance of 31.4% represented by cash and option delta.

The manager raised cash levels significantly over the June quarter, moving early to fund the forthcoming end of July off market share buy-back.

The portfolio's investments have a running yield of 6.7% but the large cash holding at the end of June diluted the running yield to 5.7%.

Asset allocation reflects a cautious stance. Commodity intensive countries such as Australia are struggling to produce economic growth and the US is expected to commence increasing interest rates soon, creating a challenging environment for financial asset markets.

IRONBARK CAPITAL – Asset Allocation- 30 June 15



Portfolio Running Yield 5.72%

Portfolio Performance-financial year 2015

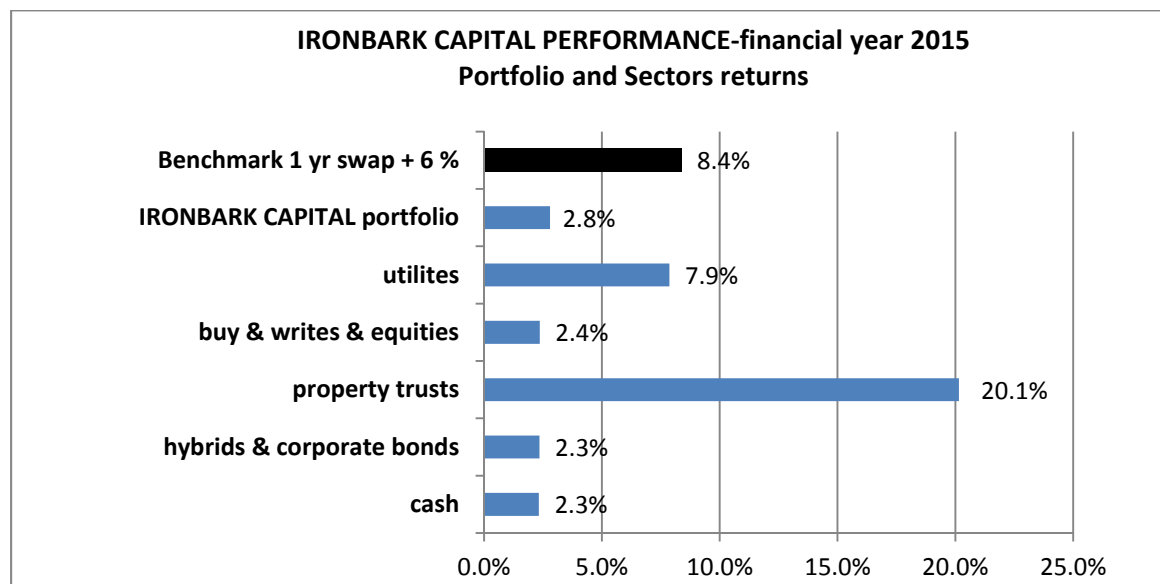
The portfolio return of 2.8% for the 12 month period was heavily influenced by the performance of hybrids and corporate bonds that delivered a return of 2.3% and represented around 40%-50% of the portfolio over the year. The weakness in credit markets was concentrated in bank Basel III hybrid issues whilst bank Basel II and corporate subordinated notes produced positive gains. Bank Basel III holdings represented around 30% of the portfolio's credit holdings or 10% of the whole portfolio. Bank Basel II issues represented 6.8% and non-bank corporate issues represented 19.1% of the portfolio. The running yield on hybrid and corporate bond holdings was 5.9%.

Current regulatory driven initiatives aimed at strengthening bank core capital will improve the capital protection for bank hybrids and the high trading margins (400+bps) for bank Basel III hybrids offering yields above 6.1% should be supportive of future returns.

Buy & writes delivered a return of 2.4% and underperformed the ASX Index gain of 5.6%. Buy & write holdings were concentrated in banks, BHP and Telstra. Banks and BHP performed poorly over the year with share price returns of 0.14% and -12.3% respectively. The bank sector fell -12.6% in the June quarter due to increased regulatory capital requirements and higher mortgage risk weights that will negatively impact equity returns. Option premium writing reduced the portfolio's bank exposure to 4.6% before the bank sell-off. Option premium writing against BHP was unable to offset the large fall in BHP's share price over the year. Telstra represented 11% of the portfolio and delivered a strong return of 23.6% but option writing truncated the overall return from Telstra.

Property trusts and utilities produced good gains of 20.1% and 7.9% respectively over the year and weightings were reduced into strength.

The high cash weighting towards the end of the financial year benefited performance when the share market fell by 5.3% in the month of June. Cash levels were significantly reduced in the following month of July as a result of funding the IBC off market share buy-back.



Portfolio Shareholdings at 30 June 2015

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Banks				
SUN	Suncorp Group Limited	419	0.5	0.5
ANZ	ANZ Banking Group Limited	3,725	4.1	2.4
CBA	Commonwealth Bank of Australia Limited	6,612	7.3	5.1
NAB	National Australia Bank Limited	2,292	2.5	1.9
WBC	Westpac Banking Corporation Limited	7,296	8.1	6.7
		20,344	22.5	16.6
Hybrids				
ANZPA	ANZ Banking Group Limited - Convertible Preference Securities	1,348	1.5	1.5
AQHHA	APA Group - Subordinated Notes	1,044	1.2	1.2
AGLHA	AGL Energy Limited - Subordinated Notes	935	1.1	1.1
BENPD/PE	Bendigo Bank - Convertible Preference Securities	946	1.1	1.1
BOQPD	Bank of Queensland - Convertible Preference Securities	1,243	1.4	1.4
CTXHA	Caltex Australia Limited - Subordinated Notes	2,084	2.3	2.3
CWNHA	Crown Limited- Subordinated Notes	1,026	1.1	1.1
IAGPC	Insurance Australia Group - Convertible Preference Securities	3,477	3.9	3.9
IANG	Insurance Australia Group - Perpetual Reset Exchangeable Notes	2,580	2.8	2.8
NABPA	National Australia Bank Limited - Convertible Preference Securities	1,315	1.5	1.5
ORGHA	Origin Energy- Subordinated Notes	4,033	4.5	4.5
PCAPA/CBAPC/PD	Commonwealth Bank Perls III & Perls VI & Perls VII	7,274	8.1	8.1
RHCPA	Ramsay Healthcare Limited	579	0.6	0.6
SUNPC/PE	Suncorp Group Limited - Convertible Preference Securities	2,781	3.1	3.1
SVWPA	Seven Group Holdings Limited - Convertible Preference Securities	1,893	2.1	2.1
WCTPA	Westpac - Step up Preference Securities	832	0.9	0.9
		33,390	37.2	37.2
Large industrial				
TLS	Telstra Corporation Limited	10,183	11.3	8.4
		10,183	11.3	8.4
Materials & Energy				
BHP	BHP Billiton Limited	4,809	5.3	3.5
		4,809	5.3	3.5

*Includes market value of options written against holdings

**Includes option delta written against holdings

Portfolio Shareholdings at 30 June 2015 (continued)

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Property Trusts				
CMW	Cromwell Property Group	119	0.1	0.1
FLK	Folkestone Limited	85	0.1	0.1
GMF	GPT Metro Office Fund	871	1.0	1.0
GPT	General Property Group Units	147	0.2	0.1
TIX	360 Capital Industrial Fund	133	0.1	0.1
		1,355	1.5	1.4
Small Industrial				
EHE	Estia Health Limited	480	0.5	0.5
JHC	Japara Healthcare Limited	321	0.4	0.4
REG	Regis Healthcare Ltd	77	0.1	0.1
SDF	Steadfast Group Limited	977	1.1	1.1
		1,855	2.1	2.1
Cash				
		18,098	20.1	30.8
		90,034	100.0	100.0

*Includes market value of options written against holdings

**Includes option delta written against holdings

Directors' Report

Your Directors present their report on the Company for the year ended 30 June 2015.

Directors

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

Michael J Cole
 Ross J Finley
 Ian J Hunter

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

Principal activities

During the year the principal activities of the Company included investments in securities listed on the Australian Securities Exchange.

Dividends

Dividends paid to members since the end of the previous financial year were as follows:

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2015					
Ordinary shares - Final	20/03/2015	1.0cps	\$1,712	09/04/2015	100
Ordinary shares – Interim	17/12/2014	2.0cps	\$3,424	30/12/2014	100
2014					
Ordinary shares - Final	13/06/2014	1.0cps	\$1,557	27/06/2014	100
Ordinary shares – Interim	17/12/2013	1.25cps	\$1,946	27/12/2013	100

Review of Operations

Information on the operations and financial position of the Company and its business strategies and prospects is set out in the review of operations and activities on page 2 of this Annual Report.

The profit from ordinary activities after income tax amounted to \$1,215,000 (2014: \$7,675,000)

The net tangible asset backing for each ordinary share as at 30 June 2015 amounted to \$0.544 per share (2014: \$0.585 per share). The NTA does not include dilution for the 1:10 rights issue in the 2015 year and franked dividends paid in the period.

Earnings per share

	2015	2014
Basic and diluted earnings per share (cents per share)	0.72	4.99

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

At the General Meeting of the Company held on 30 April 2015, Ironbark's shareholders approved a resolution for the Company to conduct a buy-back by an off-market tender process ('Buy-Back'). The Buy-Back opened on 15 May 2015 and closed on 19 June 2015 with 45,394,884 (26.5%) shares tendered by Ironbark shareholders under the Buy-Back.

The Buy-Back price of 55.20 cents per share was determined on 17 July 2015, the entire amount representing a capital component.

The shares tendered under the Buy-Back were accepted on 27 July 2015 and payment of proceeds of \$25.058m occurred on 30 July 2015. Following cancellation of the Buy-Back shares, the total number of shares on issue effective 27 July 2015 is 125,820,582.

Other than the Buy-Back, no 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.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an accidental impact on the Company's operations the Directors of the Company are not aware of any breach by the Company of those regulations.

Information on directors

Michael J Cole B Ec, M Ec (Syd), F Fin *Chairman*

Experience and expertise

Investment manager and investment banker

Other current directorships

Chairman of Platinum Asset Management Limited; Chairman, IMB Bank.

Former directorships

Director, NSW Treasury Corp; Chairman, Challenger Listed Investments Limited.

Interests in shares

2,000,000 shares

Information on directors (continued)

Ross J Finley B Comm (NSW)

Experience and expertise

Investment manager and stockbroker

Other current directorships

Director, Century Australia Investments Limited

Interests in shares

500,000 shares

Ian J Hunter BA LLB (Syd), MBA (MGSM) *Audit Committee Chairman*

Experience and expertise

Banking and finance

Former directorships

During the past three years, Mr Hunter also served as a Director of Rubik Financial Limited.

Interests in shares

1,400,000 shares

The particulars of directors' interests in shares of the Company are as at the date of this report.

Company Secretary

Since April 2014, the Company Secretary is Ms Jill Brewster. She is the Company Secretary and Group Finance Manager of Kaplan Funds Management Pty Limited and has held senior management and advisory roles across corporate, finance and operations in the investment and financial services industry. She is a member of The Governance Institute of Australia, formerly known as Chartered Secretaries Australia.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

	Board meetings		Meetings of Committees					
			Audit		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Michael J Cole	4	4	2	2	1	1	1	1
Ross J Finley	4	4	2	2	1	1	1	1
Ian J Hunter	4	4	2	2	1	1	1	1

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 consists of Mr Ian Hunter, Mr Michael Cole and Mr Ross Finley. The Chairman is Mr Ian Hunter, 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 (based on the recommendation of the Remuneration Committee), 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. 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

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed in the Directors' Report, by reason of a contract made by the Company or a related entity with the director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

Details of remuneration

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

2015

Name	Cash salary and fees \$	Superannuation \$	Total \$
Michael J Cole	22,000	-	22,000
RJ Finley	22,000	-	22,000
IJ Hunter	22,000	-	22,000
	66,000	-	66,000

2014

Name	Cash salary and fees \$	Superannuation \$	Total \$
Michael J Cole	22,000	-	22,000
RJ Finley	22,000	-	22,000
IJ Hunter	22,000	-	22,000
	66,000	-	66,000

Directors are paid a maximum remuneration of \$22,000 each per annum.

Accounting and company secretarial duties are outsourced to Kaplan Funds Management Pty Limited. Ms Brewster received no fees as an individual. Kaplan Funds Management Pty Limited is remunerated for services rendered pursuant to an Administrative Services Agreement effective 1 April 2014.

(a) Equity instruments held by key management personnel

(i) Options

No options were granted over issued shares or interests during the financial year or since the financial year end by the Company to Directors or any other officers.

(ii) *Share holdings*

2015

Name	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
Directors of Ironbark Capital Limited				
Ordinary shares				
Michael J Cole	9,000,000	1,237,651	-	10,237,651
Ross J Finley	1,640,000	225,526	-	1,865,526
Ian J Hunter	2,435,596	334,936	-	2,770,532
	<u>13,075,596</u>	<u>1,798,113</u>	<u>-</u>	<u>14,873,709</u>

The Net Movement for the year represents the take up of shares under the 1:10 Entitlement Offer and Shortfall.

2014

Name	Balance at the start of the year	Net movement	Other changes during the year	Balance at the end of the year
Directors of Ironbark Capital Limited				
Ordinary shares				
Michael J Cole	9,000,000	-	-	9,000,000
Ross J Finley	1,640,000	-	-	1,640,000
Ian J Hunter	2,435,596	-	-	2,435,596
	<u>13,075,596</u>	<u>-</u>	<u>-</u>	<u>13,075,596</u>

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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

No non-audit services were performed by the auditors or consultation fees were incurred by the Company during the year ended 30 June 2015 (2014: \$nil).

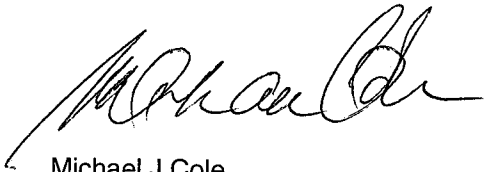
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 16.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments commission, relating to the 'rounding off' of amounts in the financial statements and Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order 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.

A handwritten signature in black ink, appearing to read 'Michael J Cole', is positioned above the printed name and title.

Michael J Cole
Director

Sydney
21 August 2015



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 year ended 30 June 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in 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

Dated at Sydney, this 21st day of August 2015

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Profit or Loss and Other
Comprehensive Income
For the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Investment income from trading portfolio			
Revenue	6	4,732	4,583
Net gains/(losses) on trading portfolio	6	(3,350)	5,933
Total investment income from trading portfolio		1,382	10,516
Expenses			
Management fees	19 (b)	(632)	(601)
Brokerage expense		(142)	(46)
Accounting fees		(54)	(52)
Share registry fees		(84)	(39)
Custody fees		(33)	(36)
Tax fees		(10)	(10)
Directors' liability insurance		(21)	(23)
Legal fees		(41)	(2)
Directors' fees	19 (a)	(66)	(66)
ASX fees		(50)	(44)
Audit fees	17	(41)	(39)
Options expense		(28)	(33)
Other expenses		(59)	(9)
Total expenses		(1,261)	(1,000)
Profit before income tax		121	9,516
Income tax benefit/(expense)	7	1,094	(1,841)
Net profit for the year		1,215	7,675
Other comprehensive income/(loss) for the year net of tax		-	-
Total comprehensive income for the year		1,215	7,675
Cents			
Basic and diluted earnings per share	22	0.72	4.99

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 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	18,098	977
Trade and other receivables	9	2,858	3,792
Trading portfolio	10	71,936	86,820
Current tax assets		368	-
Other assets		4	4
Total current assets		93,264	91,593
Non- current assets			
Deferred tax assets	12	1,081	27
Total non-current assets		1,081	27
Total assets		94,345	91,620
LIABILITIES			
Current liabilities			
Trade and other payables	13	102	336
Current tax liabilities		-	70
Provision for dividend	16	-	3,114
Total current liabilities		102	3,520
Non-current liabilities			
Deferred tax liabilities	14	10	754
Total non-current liabilities		10	754
Total liabilities		112	4,274
Net assets		94,233	87,346
Equity			
Issued capital	15	94,595	86,901
Profit reserve		748	1,058
2015 Profit Reserve		209	-
Accumulated losses		(1,319)	(613)
Total equity		94,233	87,346

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 2015

	Notes	Issued capital \$'000	Profit reserve \$'000	2015 Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2014		86,901	1,058	-	(613)	87,346
Profit for the year		-	-	-	1,215	1,215
Transfer to profit reserve		-	-	1,921	(1,921)	-
Total comprehensive income for the year		-	-	1,921	(706)	1,215
Transactions with owners in their capacity as owners:						
Dividends paid	16	-	(310)	(1,712)	-	(2,022)
Contributions of equity from rights issue, net of transaction costs		7,694	-	-	-	7,694
Balance at 30 June 2015		94,595	748	209	(1,319)	94,233
Balance at 1 July 2013		86,901	-		(613)	86,288
Profit for the year		-	-	-	7,675	7,675
Transfer to profit reserve			1,058	-	(1,058)	-
Total comprehensive income for the year		-	1,058	-	6,617	7,675
Transactions with owners in their capacity as owners:						
Dividends declared	16	-	-	-	(3,114)	(3,114)
Dividends paid	16	-	-	-	(3,503)	(3,503)
Balance at 30 June 2014		86,901	1,058	-	(613)	87,346

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 year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Interest received		668	775
Proceeds from sale of trading portfolio		67,528	33,855
Purchase of trading portfolio		(55,271)	(32,999)
Dividends & trust distributions received		3,993	3,838
Other income received		54	13
Management fees paid		(631)	(597)
Other expenses paid		(637)	(409)
Income tax paid		(1,117)	(119)
Net cash inflow/(outflow)from operating activities	21	<u>14,587</u>	<u>4,357</u>
Cash flows from financing activities			
Dividends paid to shareholders	16	(5,136)	(3,503)
Proceeds from rights issue		7,750	-
Transaction costs paid for rights issue		(80)	-
Net cash (outflow)/inflow from financing activities		<u>2,534</u>	<u>(3,503)</u>
Net increase/(decrease) in cash and cash equivalents		17,121	854
Cash and cash equivalents at beginning of financial year		977	123
Cash and cash equivalents at the end of the financial year	8	<u>18,098</u>	<u>977</u>

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 22, 44 Market Street, Sydney NSW 2000. The financial statements of Ironbark Capital Limited are for the year ended 30 June 2015. The Company is primarily involved in making investments, and deriving revenue and investment income from listed securities and unit trusts in Australia.

2. Summary of 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 21 August 2015.

(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 Company has adopted the following new standard for the first time for the annual reporting period commencing 1 July 2014:

- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2014-1 Amendments to Australian Accounting Standards

The adoption of these standards did not have any impact on the current period or any prior period and is not likely to affect future periods. The standards only affected the disclosures in the notes to the financial statements.

(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.

(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 are disclosed in 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 rebates and amounts collected on behalf of third parties.

(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.

2 Summary of significant accounting policies (continued)

(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 below.

(c) Income tax

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

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.

2 Summary of significant accounting policies (continued)

(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.

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 should be 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.

2 Summary of significant accounting policies (continued)

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are 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.

(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 taxation authority. 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 taxation authority is included with other receivables or payables in the Statement of Financial Position.

2 Summary of significant accounting policies (continued)

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

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

(n) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, 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 Class Order 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) Comparatives

Where necessary, comparative information has been reclassified to be consistent with the current reporting period.

(q) Operating Segments

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

(r) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not yet been applied in the Financial Statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*, (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities, including hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Directors do not expect there will be any impact on the accounting for the Company's financial assets or liabilities.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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.

3 Financial risk management (continued)

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

Sector	2015 (%)	2014 (%)
Financials	47.9	54.9
Cash	20.1	1.1
Telecommunications services	11.4	11.5
Corporate floating rate notes	10.1	10.9
Materials	5.3	10.2
Industrials	2.1	3.4
Healthcare and biotechnology	1.6	2.9
Property Trust	1.5	2.7
Utilities	-	1.4
Energy	-	0.5
Consumer discretionary	-	0.5
Total	100.0	100.0

Securities representing over 5 percent of the trading portfolio at 30 June 2015 were:

	2015 (%)
Telstra Corporation Limited	11.3
Westpac Banking Corporation Limited	8.1
Commonwealth Bank Perls III & Perls VI & Perls VII	8.1
Commonwealth Bank of Australia Limited	7.3
BHP Billiton Limited	5.3
	40.1

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 a 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 30 percent:

Index	Impact on post-tax profit	
	2015 \$'000	2014 \$'000
Change in variable by +5%/-5% (2014: +5%/-5%)	2,518	3,039
Change in variable by +10%/-10% (2014: +10%/-10%)	5,036	6,078

(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.

3 Financial risk management (continued)

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 2015

	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial Assets			
Cash and cash equivalents	18,098	-	18,098
Trade and other receivables	-	2,858	2,858
Trading portfolio	9,122	62,814	71,936
Current tax asset	-	368	368
	<u>27,220</u>	<u>66,040</u>	<u>93,260</u>
Financial liabilities			
Trade and other payables	-	(102)	(102)
	<u>-</u>	<u>(102)</u>	<u>(102)</u>
Net exposure	<u>27,220</u>	<u>65,938</u>	<u>93,158</u>

30 June 2014

	Floating interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial Assets			
Cash and cash equivalents	977	-	977
Trade and other receivables	-	3,792	3,792
Trading portfolio	9,599	77,221	86,820
	<u>10,576</u>	<u>81,013</u>	<u>91,589</u>
Financial liabilities			
Trade and other payables	-	(336)	(336)
Current tax liability	-	(70)	(70)
	<u>-</u>	<u>(406)</u>	<u>(406)</u>
Net exposure	<u>10,576</u>	<u>80,607</u>	<u>91,183</u>

The weighted average interest rate of the Company's cash and cash equivalents at 30 June 2015 is 1.95% pa (2014: 2.5% pa).

Sensitivity

At 30 June 2015, 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 \$95,012 higher/\$95,012 lower (2014: changes of 75 bps/75 bps: \$5,127 lower/\$5,127 higher), mainly as a result of higher/lower interest income from cash and cash equivalents. The cash balance as at 30 June 2015 is significantly higher due to the partial sale of investments to fund the off-market buyback payable to participating shareholders on 30 July 2015.

3 Financial risk management (continued)

(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 2015.

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 over-due 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.

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.

	Less than 1 month \$'000	More than 1 month \$'000
At 30 June 2015		
Non-derivatives		
Trade and other payables	102	-
Total non-derivatives	102	-
	Less than 1 month \$'000	More than 1 month \$'000
At 30 June 2014		
Non-derivatives		
Trade and other payables	336	-
Current tax liability	-	70
Total non-derivatives	336	70

3 Financial risk management (continued)

(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.

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 2015 and 30 June 2014:

Fair value hierarchy

30 June 2015

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	71,936	-	-	71,936
Total	71,936	-	-	71,936

30 June 2014

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	86,820	-	-	86,820
Total	86,820	-	-	86,820

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 (for example, over-the-counter derivatives) 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 income, interest income and from the sale of its trading portfolio.

6. Investment income

	2015 \$'000	2014 \$'000
<i>Revenue</i>		
Dividends	3,871	3,471
Interest	684	755
Distributions	123	344
Other income	54	13
	<u>4,732</u>	<u>4,583</u>
<i>Net gains/(losses) on trading portfolio</i>		
Net realised gains/losses on trading portfolio	1,271	1,105
Net unrealised gains/losses on trading portfolio	(4,621)	4,828
	<u>(3,350)</u>	<u>5,933</u>
	<u>1,382</u>	<u>10,516</u>

7. Income tax expense

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

	2015 \$'000	2014 \$'000
Current tax	693	520
Deferred tax	(1,787)	1,321
	<u>(1,094)</u>	<u>1,841</u>
<i>Income tax expense/(benefit) is attributable to:</i>		
Profit from continuing operations	<u>(1,094)</u>	<u>1,841</u>

7 Income tax expense (continued)

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

	2015 \$'000	2014 \$'000
Profit from continuing operations before income tax expense/(benefit)	121	9,516
Tax at the Australian rate of 30.0% (2014 - 30.0%)	36	2,855
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(1,635)	(1,432)
Foreign income tax offsets	(2)	-
Imputation gross up on dividend income	491	430
Timing differences	(374)	(163)
Realised taxable investment loss/(gain)	760	482
Realised accounting investment (gain)/loss	(381)	(331)
Adjustments for current tax of prior year	11	-
Income tax (benefit) / expense	<u>(1,094)</u>	<u>1,841</u>

8. Cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash at bank and in hand	<u>18,098</u>	<u>977</u>

The cash balance as at 30 June 2015 is significantly higher due to the partial sale of investments to fund the off-market buyback, payable to participating shareholders on 30 July 2015.

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 JP Morgan which is rated A+ (2014: A+) by Standard & Poor's.

9. Trade and other receivables

	2015 \$'000	2014 \$'000
Dividends and distributions receivable	458	457
Interest receivable	35	19
GST Receivable	18	18
Unsettled sales	2,347	3,298
	<u>2,858</u>	<u>3,792</u>

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

9 Trade and other receivables (continued)

(a) 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

	2015 \$'000	2014 \$'000
Listed equities	52,033	74,813
Units in listed property trusts	10,781	2,408
Floating rate notes - listed	9,122	9,599
	<u>71,936</u>	<u>86,820</u>

(a) 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:

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 sell (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.

11 Derivative financial instruments (continued)

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

	Notional principal amounts 2015 \$'000	Notional principal amounts 2014 \$'000
Australian exchange traded options	(609)	(1,097)

12. Deferred tax assets

	2015 \$'000	2014 \$'000
The balance comprises temporary differences attributable to:		
Net unrealised losses of investments	1,040	-
Other temporary differences	41	27
	<u>1,081</u>	<u>27</u>
Movements:		
Opening balance:	27	606
Charged/credited:		
- to deferred tax liabilities	748	(573)
- to profit or loss	306	(6)
	<u>1,081</u>	<u>27</u>

13. Trade and other payables

	2015 \$'000	2014 \$'000
Notes		
Management fees payable	55	54
Other payables	47	282
	<u>102</u>	<u>336</u>

14. Deferred tax liabilities

	2015 \$'000	2014 \$'000
The balance comprises temporary differences attributable to:		
Accrued income	10	6
Unrealised gains on investments	-	748
	<u>10</u>	<u>754</u>

14 Deferred tax liabilities (continued)

Movements:

Opening balance	754	11
Charged/credited - to profit or loss	4	170
- to deferred tax assets	(748)	573
	10	754

15. Issued capital

(a) Issued capital

	30 June 2015 Shares	30 June 2014 Shares	2015 \$'000	2014 \$'000
Ordinary shares - fully paid	171,215,466	155,715,478	94,595	86,901

(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 2014	155,715,478	86,901
Rights entitlement offer	15,499,988	7,750
Less: transaction costs (net of tax)	-	(56)
Balance at 30 June 2015	171,215,466	94,595

(d) Non-renounceable Entitlement Offer

On 22 August 2014, the Company invited its eligible shareholders to subscribe to a non-renounceable offer of 1 share for every 10 fully paid ordinary shares held at an issue price of \$0.50 per share. 15,499,988 ordinary shares were issued on 29 September 2014 and participated in the dividend paid on 30 December 2014. The issue was fully subscribed.

(e) 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.

(f) 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) Ordinary Shares recognised as paid

	2015 \$'000	2014 \$'000
Final dividend	1,712	1,557
Interim dividend	310	1,946
	<u>2,022</u>	<u>3,503</u>

In respect of the financial year ended 30 June 2015, no further dividend has been declared

(b) Dividend franking account

	2015 \$'000	2014 \$'000
Opening balance of franking account	61	13
Franking credits on dividends received	1,635	1,432
Net tax paid during the year	1,117	118
Franking credits on ordinary dividends paid	(2,201)	(1,502)
Closing balance of franking account	<u>612</u>	<u>61</u>
Adjustments for tax payable/(refundable) in respect of the current year's profits	(368)	70
Franking credits on dividends received after year end	174	153
	<u>(194)</u>	<u>223</u>
	<u>418</u>	<u>284</u>

(c) Dividend rate

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2015					
Ordinary shares -					
Final	20/03/2015	1.0cps	\$1,712	09/04/2015	100
Ordinary shares –					
Interim	17/12/2014	2.0cps	\$3,424	30/12/2014	100
2014					
Ordinary shares -					
Final	13/06/2014	1.0cps	\$1,557	27/06/2014	100
Ordinary shares –					
Interim	17/12/2013	1.25cps	\$1,946	27/12/2013	100

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:

(a) Auditors

	30 June 2015 \$'000	30 June 2014 \$'000
<i>Audit and other assurance services</i>		
MNSA Pty Ltd - Audit and review of financial statements	33	32
<i>Other assurance services</i>		
PWC - Audit of custodian statements	7	7
Total remuneration for audit and other assurance services	<u>40</u>	<u>39</u>
<i>Other services</i>		
MNSA Pty Ltd - Consulting fees	1	-
Total remuneration for other services	<u>1</u>	<u>-</u>
Total auditor remuneration for assurance and other services	<u>41</u>	<u>39</u>

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 2015 (2014: nil).

19. Related party transactions

(a) Key management personnel

	2015 \$'000	2014 \$'000
Short-term benefits	<u>66</u>	<u>66</u>

(b) Transactions with other related parties

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

	30 June 2015 \$'000	30 June 2014 \$'000
Management fees paid or payable	<u>632</u>	<u>601</u>

The Company has entered into a 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.

No performance fees were paid or payable to Kaplan Funds Management Pty Ltd for the year ended 30 June 2015 (2014: nil).

19 Related party transactions (continued)

(c) Outstanding balances

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

	2015 \$'000	2014 \$'000
Management fees payable	55	54

(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

At the General Meeting of the Company held on 30 April 2015, Ironbark's shareholders approved a resolution for the Company to conduct a buy-back by an off-market tender process ('Buy-Back'). The Buy-Back opened on 15 May 2015 and closed on 19 June 2015 with 45,394,884 (26.5%) shares tendered by Ironbark shareholders under the Buy-Back.

The Buy-Back price of 55.20 cents per share was determined on 17 July 2015, the entire amount representing a capital component.

The shares tendered under the Buy-Back were accepted on 27 July 2015 and payment of proceeds of \$25.058m occurred on 30 July 2015. Following cancellation of the Buy-Back shares, the total number of shares on issue effective 27 July 2015 is 125,820,582.

Other than the Buy-Back, no 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.

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

	2015 \$'000	2014 \$'000
Profit for the year	1,215	7,675
Unrealised (gains)/losses on trading portfolio	4,621	(4,828)
Realised (gains)/losses on trading portfolio	(1,271)	(1,105)
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	1	44
(Decrease)/increase in trade and other payables	26	(9)
Increase/(decrease) in tax liabilities	(2,262)	1,723
Decrease/(Increase) in trading portfolio	12,257	857
Net cash inflow/(outflow) from operating activities	14,587	4,357

22. Earnings per share

(a) Basic earnings per share

	2015 Cents	2014 Cents
From continuing operations attributable to the ordinary equity holders of the company	0.72	4.99
Total basic earnings per share attributable to the ordinary equity holders of the company	0.72	4.99

(b) Diluted earnings per share

	2015 Cents	2014 Cents
From continuing operations attributable to the ordinary equity holders of the company	0.72	4.99
Total diluted earnings per share attributable to the ordinary equity holders of the company	0.72	4.99

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

	2015 Number	2014 Number
<i>Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share</i>	167,787,548	155,715,478

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 17 to 38 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 2014 and of its performance for the year ended on that date, and
- (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.

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
Director

Sydney
21 August 2015



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

Report on the Financial Report

We have audited the accompanying financial report of Ironbark Capital Limited, which comprises the statement of financial position as at 30 June 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2 the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements* that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- a. the financial report of Ironbark Capital Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the remuneration report of Ironbark Capital Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

MNSA PTY LTD

MNSA PTY LTD



Mark Schiliro
Director

Dated at Sydney this 21st day of August 2015

A. Distribution of shareholdings

As at 31 August 2015 there were 2,016 shareholders of ordinary shares in Ironbark Capital Limited. These holders were distributed as follows:

Holdings range	No. of shareholders	Shares
1-1,000	269	95,675
1,001-5,000	398	1,160,946
5,001-10,000	269	2,049,286
10,001-100,000	952	31,130,698
100,001 and over	128	91,383,977
Totals	2,016	125,820,582

There were 269 holders of less than a marketable parcel of 1,000 ordinary shares, based on a share price of \$0.50.

B. Largest 20 shareholders

The largest 20 shareholders of the Company's shares as at 31 August 2015 are listed below:

Holder Name	Ordinary shares	
	Number held	%
KAPLAN PARTNERS PTY LIMITED	41,052,574	32.63
EDSGEAR PTY LIMITED	6,266,875	4.98
QUESTOR FINANCIAL SERVICES LIMITED <TPS RF A/C>	4,420,101	3.51
ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	2,000,000	1.59
LIANGROVE MEDIA PTY LIMITED	1,727,516	1.37
HPIC PTY LTD	1,509,000	1.20
SUPENTIAN PTY LIMITED <HUNTER PENSION FUND A/C>	1,400,000	1.11
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,206,722	0.96
BOND STREET CUSTODIANS LIMITED <MCGOL - I27406 A/C>	1,145,846	0.91
LIANGROVE GROUP PTY LTD	1,036,516	0.82
BOND STREET CUSTODIANS LIMITED <MCGOL - TT0575 A/C>	934,378	0.74
BOND STREET CUSTODIANS LIMITED <MCGOL - DR0020 A/C>	778,658	0.62
BOND STREET CUSTODIANS LIMITED <MCGOL - V04537 A/C>	727,835	0.58
77 SYSTEMS (AUSTRALASIA) PTY LIMITED <SUPERANNUATION FUND A/C>	682,000	0.54
BOND STREET CUSTODIANS LIMITED <MCGOL - CP0570 A/C>	641,674	0.51
BOND STREET CUSTODIANS LIMITED <MCGOL - AP0390 A/C>	633,761	0.50
BOND STREET CUSTODIANS LIMITED <MCGOL - V20404 A/C>	591,991	0.47
LANGSHAW PTY LIMITED	590,153	0.47
MR PETER JOHN GRENNING	565,845	0.45
NORBERT INVESTMENTS PTY LTD	554,167	0.44
	68,465,612	54.40

C. Substantial shareholders

Substantial shareholders in the Company as at 31 August 2015 are set out below:

Holder Name	Ordinary shares	
	Number held	%
KAPLAN PARTNERS PTY LIMITED	41,052,574	32.63

D. Transaction Summary

The Company conducted 797 security transactions during the financial year. Brokerage paid during the year net of RITC claimable was \$142,118.

E. Stock Exchange Listing

Ironbark has ordinary shares on issue. These are listed on the Australian Securities Exchange under ASX code: IBC.

F. Voting rights

At a general meeting, on the show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands but on a poll have one vote for every share held.

G. Investment Management Agreement

The Investment Management Agreement with Kaplan Funds Management Pty Limited provides for the payment of an investment management fee of 0.40% per annum effective 1 July 2015.

Commencing 1 July 2014 performance has been measured by reference to the one year interest swap rate plus 6%. This aligns with current interest rates and approximates to 9% per annum. The investment return includes the benefit of franking credits received in the calculation. The performance fee benchmark has been reset and applied for the 2015 financial year. The agreement contains a highwater mark which applies within each 3 year reset period.

H. Company Secretary

The name of the Company Secretary is Ms Jill Brewster.

The registered office and principal place of business of the Company is:

Level 22
44 Market Street
Sydney, NSW 2000

Telephone: (02) 8917 0399

I. Share Registry

Share registry functions are maintained by Boardroom Pty Limited and their details are as follows:

Boardroom Pty Limited
GPO Box 3993
Sydney, NSW 2001

Shareholder enquiries telephone: (02) 9290 9600

NOTICE OF 2015 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting ("Meeting") of members of the Company will be held at:

History House, 133 Macquarie Street, Sydney at 10:00am (AEDT) on Wednesday 28 October 2015.

Chairman's address

The Chairman will give a brief address to the Meeting.

Investment Manager Presentation

The Investment Manager will provide an update on the investment portfolio and outlook.

BUSINESS OF THE MEETING

1. Annual Report

To receive, consider and discuss the Annual Financial Report, Directors' Report and Independent Auditor's Report for the year ended 30 June 2015.

(Note: no resolution required to be passed on this item)

2. Adoption of the Remuneration Report for the year ended 30 June 2015

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2015 as set out in the Directors' Report be adopted".

(Note: Pursuant to section 250R(3) of the Corporations Act 2001 ("Corporations Act") the vote on this resolution is advisory only and does not bind the directors or the Company).

3. Re-election of Mr Michael Cole as Director

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Michael Cole, who retires in accordance with the Company's Constitution and being eligible, offers himself for re-election, be elected as a Director of the Company".

By order of the Board

Jill Brewster
Company Secretary

25 September 2015

Explanatory Notes – Business of the Meeting

1. Receive and consider the financial and other reports

This will provide an opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Report and Independent Auditor's Report. No resolution is required to be passed on this matter.

The Auditors of the company will be available to answer any questions.

2. Adoption of the Remuneration Report for the year ended 30 June 2015

The Directors' Report contains the Remuneration Report. Please refer to the Annual Report for this information.

Pursuant to section 250R(3) of the Corporations Act 2001 ("Corporations Act") the vote on this resolution is advisory only and does not bind the directors or the Company.

Voting Exclusion: In accordance with Section 250R(4) of the Corporations Act, the Company will disregard any votes cast on this resolution by:

- a) a member of the key management personnel details of whose remuneration are included in the remuneration report; or
- b) a closely related party of such a member,

unless the vote is cast as a proxy for a person who is entitled to vote and:

- c) the proxy form specifies the way the proxy is to vote on the resolution; or
- d) the vote is cast by the Chairman of the Meeting pursuant to an undirected proxy that expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

3. Re-election of Mr Michael Cole as Director

Mr Michael Cole was last re-elected by shareholders at the 2012 AGM and is therefore required to seek re-election in accordance with the Company's Constitution at this 2015 AGM. His details are as follows:

Michael Cole has over 37 years investment banking and funds management including Executive Vice President at Bankers Trust Australia, a role he held for more than 10 years. He is currently Chairman of Platinum Asset Management Limited and Chairman of IMB Bank, and is a former Director of NSW Treasury Corp and Challenger Listed Investments Limited.

Information to shareholders

The Board recommends that shareholders vote in favour of each resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

ENTITLEMENT TO VOTE

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that for the purposes of the Meeting all shares in the capital of the Company will be taken to be held by the persons who held them as registered holders at 7.00pm (AEDT) on 26 October 2015. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

PROXIES

All members are entitled to appoint a proxy to attend and vote in their absence. Proxies do not need to be members of the Company and members may appoint not more than two proxies. If you intend to appoint a proxy (or proxies) you must complete and duly execute the proxy form attached to this Notice and lodge it with the Company's share registry, Boardroom Pty Limited, by any of the following means 48 hours before the Meeting i.e. 10.00am (AEDT) on 26 October 2015:

Hand Deliveries	Boardroom Pty Limited Level 12 225 George Street Sydney NSW 2000
Postal address:	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001
Fax number:	+61 2 9290 9655

A form of proxy is provided with this notice.



All Correspondence to:

-  **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
-  **By Fax:** +61 2 9290 9655
-  **Online:** www.boardroomlimited.com.au
-  **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am AEDT on Monday 26 October 2015.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.




Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore **by 10:00am AEDT on Monday 26 October 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

-  **By Fax** + 61 2 9290 9655
-  **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
-  **In Person** Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Ironbark Capital Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **History House, 133 Macquarie Street, Sydney NSW 2000 on Wednesday 28 October 2014 at 10:00am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To re-elect Mr Michael Cole as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2015