APPENDIX 4E

PRELIMINARY FINAL REPORT

PERIOD ENDING 30 JUNE 2009

Name of Entity: **IFC Capital Limited**
ABN or equivalent: **14 087 737 068**

APPENDIX 4E

PRELIMINARY FINAL REPORT

PERIOD ENDING 30 JUNE 2009

Name of entity **IFC Capital Limited**
ABN or equivalent company reference **14 087 737 068**
Reporting period **30 June 2009**
Previous corresponding period **30 June 2008**

Results for announcement to the market

Extracts from this report for announcement to the market. $A'000

Revenues from ordinary activities	down	72.8%	to	95
Loss from ordinary activities after tax attributable to members	up	352.3%	to	(6,065)
Net loss for the period attributable to members	up	352.3%	to	(6,065)

Dividends (distributions)	Amount per security	Franked amount per security
Distributions paid/payable:		
Final dividend	-	-
Interim dividend	-	-
Distributions paid previous corresponding period :		
Final dividend	-	-
Interim dividend	-	-

Record date for determining entitlements to the dividend/distribution	Not applicable

Brief explanation of any of the figures reported above (see Note 1) to enable the figures to be understood.

N/A

3. Consolidated Income Statements
Refer to attached financial report

4. Consolidated Balance Sheets
Refer to attached financial report

5. Consolidated Cash Flow Statements
Refer to attached financial report

6.Consolidated Statements of Changes in Equity
Refer to attached financial report

7. Dividend/Distribution Payments
N/A

8.Dividend/Distribution Reinvestment Plans
N/A

9. Net Tangible Assets per Security

Current reporting period	**Previous corresponding period**
$0.0973	$0.2116

10. Control gained or lost over entities which had material effect during the period.
N/A

11. Details of aggregate share of profits (losses) of associates and joint venture entities

Name of Associate or Joint Venture Entity		**Type**	**Reporting Entity % Holding**
	Date	**Current period $A'000**	**Previous corresponding period $A'000**
Profit (loss) from ordinary activities before tax		-	-
Income tax on ordinary activities		-	-
Profit (loss) from ordinary activities after tax		-	-
Extraordinary items net of tax		-	-
Net profit (loss)		-	-
Adjustments		-	-
Share of net profit (loss) of associates and joint venture entities		-	-
Total Outside Equity Interest		-	-

(If the interest was acquired or disposed of during either the current or previous period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").

12. Comments on any other significant information on entity's financial performance and financial position

Refer to attached financial report

13. Comments on the results for the period including.

13.1 Earnings per security and nature of any dilution aspects.

	Current period	**Previous reporting period**
Basic earnings per share	($0.1090)	($0.0318)
Diluted earnings per share	($0.1090)	($0.0318)

Potential ordinary shares are dilutive in the current year but not in the previous year.

13.2 Returns to Shareholders including distributions and buybacks
N/A

13.3 Significant features of operating performance
Refer to attached financial report

13.4 Comment on the result of segments significant to an understanding of the business as a whole
Refer to attached financial report

13.5 Comments of trends in performance
N/A

13.6 Any other factors which have affected the results in the period or which are likely to affect the results in the future, including those which could not be quantified.
N/A

13.7 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this report, with financial effect quantified (if possible).
Refer to attached financial report.

14. This report is based on accounts to which one of the following applies.

(Tick one)

☑ The +accounts have been audited.

☐ The +accounts have been subject to review.

☐ The +accounts are in the process of being audited or subject to review.

☐ The +accounts have *not* yet been audited or reviewed.

If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available
N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	TBA

Date	TBA
Time	TBA
Approximate date the +annual report will be available	TBA

Signature : Date: 31 August 2009

(Company Secretary)

Print name: ……….......Ian Bangs.................

IFC Capital Limited
ACN 087 737 068

Annual Report
2009

IFC Capital Limited

Corporate Directory

Directors:	Alan S Jones (Non-executive Chairman) David P Hobart (Managing Director) John M Langley (Non-executive Director)
Secretary:	Ian E Bangs FCPA
Principal & Registered Office :	Suite 3, Level 12 2 Bligh Street Sydney NSW 2000 Tel: (02) 9994 0240 Fax: (02) 9993 0767 e-mail: info@ifccapital.com.au Web site: www.ifccapital.com.au
Share Registrar:	Computershare Investor Services Pty Ltd Level 3, 60 Carrington Street Sydney NSW 1115
Auditors:	PricewaterhouseCoopers Chartered Accountants Darling Park Tower 2 201 Sussex Street Sydney NSW 1171
Bankers:	Westpac Banking Corporation 60 Martin Place Sydney NSW 2000 Bank of Western Australia 45 Clarence Street Sydney NSW 2000
Solicitors:	Addisons Lawyers 60 Carrington Street Sydney NSW 2000 Deacons 1 Alfred Street Circular Quay Sydney NSW 2000
Stock Exchange Listing:	IFC Capital Limited shares are listed on the Australian Stock Exchange Limited (Code: ordinary shares "IFC")
Company Number:	ACN 087 737 068 ABN 14 087 737 068

Contents

Dear Shareholders,

During the past financial year, IFC Capital Limited has been impacted by the global economic crisis and the downturn in the property market. The Board and the management team, led by Managing Director David Hobart, has had to reassess the investment strategy in relation to the Cranebrook land and the joint venture at St Ives.

In the report by Mr Hobart, and the operational reports that follow, you will find details of the group's performance for the year ended 30 June 2009, as well as information about activities undertaken by the Company. I would encourage you to read these reports.

The Company incurred an operating loss in the 2008/2009 financial year of $6,065,216 due primarily to the write down in the value of the Cranebrook land to the sale price of $17,500,000 (net of GST).

After settlement of the sale of the land on 11 August 2009, the directors will focus on the strategy for the future direction of the Company.

The Board of IFC Capital recognises the interests of the Group's various stakeholders and takes seriously the importance of sound corporate governance and transparency throughout the Group. As part of an ongoing program, the Board has embraced the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. Within the resources currently available and with minimal additional cost, the board and the committees that have been established continue to review the codes and charters that cover how we conduct our business and interact with our stakeholders and other parties that have an interest in the Company. The roles of the various committees are outlined in the Corporate Governance section starting on page 14. These codes and charters are also published on the Company's web site. www.ifccapital.com.au

I would like to thank our shareholders for their support this year, and trust their investment with us will be long term and rewarding.

Yours faithfully

Alan S Jones
Chairman

Dear Shareholders,

On the 11 August 2009, IFC Capital Limited (IFC Capital or the Company) settled on the sale of the land at Cranebrook (Lot 2 in DP 1057347) for $17,500,000 (exclusive of GST). The land was sold to the Minister Administering the National Parks and Wildlife Act 1974 (NSW). As a result of this sale the Company has been able to repay all loan facilities totalling $11,550,000 to the Bank of Western Australia.

The focus of management during the past 9 months has been on the sale of the land and the repayment of the debt owing to Bank of Western Australia. After repayment of the debt the Company has approximately $6,000,000 of cash reserves.

As a result of the sale and the write down in the book value of the land, the Company incurred a loss for the full twelve months of $6,065,216. Net assets at 30 June are $6,068,121.

Management and the Board will investigate what opportunities currently exist in the areas of corporate advisory, property investment and strategic investments in small and medium size companies which are the principal activities of the Company.

We will ensure that shareholders are kept fully informed regarding the future direction of the Company.

Thank you for your continued support.

Yours faithfully,

David P Hobart
Managing Director

Directors' report
for the financial year ended 30 June 2009

Your directors present their report on the IFC Capital Group, consisting of IFC Capital Limited ("the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2009.

Directors and Officers

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

Alan Stephen Jones (Non-Executive non Independent Chairman)

David Philip Hobart (Executive Director)

John Michael Langley (Non-Executive Independent Director)

Peggy Pei-Chee Yeoh resigned as a Non-Executive Director on 9 October 2008.

Principal Activities

During the year the principal activities of the IFC Capital Group consisted of:

(1) investment in land holdings; and

(2) corporate advisory

Review of Operations

Refer to the Reports of the Chairman and the Managing Director on pages 2 and 3. A summary of consolidated revenues and results by significant business segments is set out below:

	Segment Revenues		**Segment Results**	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Investments holding	39,278	84,229	39,278	84,229
Corporate advisory	55,560	264,565	(1,287,484)	(1,342,895)
Property investments	-	-	(4,817,010)	(82,416)
	94,838	348,794	(6,065,216)	(1,341,082)
Loss from ordinary activities before income tax expense			(6,065,216)	(1,341,082)
Loss from ordinary activities after income tax expense			(6,065,216)	(1,341,082)
Net loss attributable to members of IFC Capital Limited			(6,065,216)	(1,341,082)

Earnings per Share

	2009 $	2008 $
Basic earnings per share (refer to Note 28)	($0.1090)	($0.0318)
Diluted earnings per share (refer to Note 28)	($0.1090)	($0.0318)

Dividends

The directors do not recommend the payment of a dividend at this time and no dividend has been paid or declared during the financial year.

Significant Changes in the State of Affairs

Other than for the matters dealt with below and elsewhere in this report, there were no other significant changes in the Company's state of affairs.

1. On 29 August 2008 the Company placed 6,320,000 shares at $0.10 each and raised $632,000.
2. On 26 November 2008, the Company completed a fully underwritten share rights issue and raised $1,385,328.

Likely developments and expected results of operations

The directors are considering the likely developments and opportunities that are available to the Company in corporate advisory, property investment and strategic investment in small and medium companies.

Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Events Subsequent to Balance Date

The following have occurred subsequent to balance date:

On 11 August 2009 the Company settled on the sale of the land at Cranebrook (Lot 2 in DP 1057347) for $17,500,000 (exclusive of GST). The land was sold to the Minister Administering the National Parks and Wildlife Act 1974 (NSW). The Company repaid all loan facilities totaling $11,550,000 to the Bank of Western Australia.

No other matter or circumstance than otherwise disclosed in this report has arisen since 30 June 2009 that has significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the consolidated entity's state of affairs in future financial years.

Directors' Interests

Information on Directors

Director	Experience	Special responsibilities	Particulars of directors' interests at date of this report Securities held
Alan S Jones	Mr Jones was appointed as a Non-Executive Director and Chairman of IFC Capital Limited on 23 July 2007. Mr Jones is a chartered accountant with extensive senior management and board experience in listed and unlisted Australian public companies, particularly in the construction, engineering, finance and investment industries. Mr Jones has been involved in the successful merger and acquisition of a number of public companies in Australia and internationally. He is a Non-Executive Director of Mulpha Australia Limited, Sun Hung Kai & Co. Limited (Hong Kong), Allied Group Limited (Hong Kong) and Allied Properties Limited (Hong Kong) Mount Gibson Iron Limited and APAC Resources Limited (Hong Kong). Age 66.	Non-executive non-independent Chairman	4,690,000 ordinary shares
David P Hobart MCom AssocDip Valuation	Mr Hobart has over 25 years experience in property management and investment. Having been a Director for Richard Ellis and Grant Samuel, he has managed a series of major transactions including devising, managing and implementing sales strategies for David Holdings, David Jones, Barclays and BNP Paribas to name a few. He also has extensive knowledge in real estate development for commercial, industrial and residential projects. He has a Masters in Commerce from the University of Western Sydney. He is a Non-Executive Director of LandMark White Limited. He was appointed as a Director on 17 May 2004. Age 52.	Executive Director	31,800 ordinary shares
John M Langley	Mr Langley resigned as Chairman of IFC Capital Limited on 23 July 2007 and remains as a Non-Executive Director. Mr Langley has a background in mining and resources and is currently the general manager of UCC Energy, a company developing state of the art clean coal technology. He was a Director and General Manager of the Base Resources Ltd Group and Director and Chief Executive Officer of Keldan Technology Ltd. He was also a General Manager in the White Industries Australia Group. He has been responsible for constructing, commissioning and operating large scale pilot plants, which includes numerous liaisons with domestic and international governments, resource bodies and other related entities. His specialty lies in analysis of new opportunities across technology and other related industries. He was appointed as a director on 14 February 2003. Age 71.	Non-executive independent Director	85,000 ordinary shares

Company Secretary

Ian E Bangs BCom FCPA

Mr Bangs has over 25 years experience in senior finance positions. He is also Chief Financial Officer and Company Secretary of LandMark White Limited. He had 10 years as the CFO of the Regent Hotel in Sydney and has also been Finance Director for Hooper Bailie Industries and CFO of Consolidation Coal of Australia. He has a Bachelor of Commerce Degree and is a Fellow CPA. Age 54.

Directors' Benefits

With the exception of the matters referred to below, no director in the consolidated entity has, since the end of the financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or related body corporate with the director or with a firm of which the director is a member, or with an entity in which the director has a substantial financial interest.

Meetings of Directors

There were six directors' meetings (2008: five) and two Audit Committee meetings (2008: two) held during the year ended 30 June 2009.

The number of directors' meetings and audit committee meetings held in the period each director held office during the year and the number of meetings attended by each director are:

	Meetings			
	Directors		Audit Committee	
	Number held	Number attended	Number held	Number attended
Alan S Jones	6	6	2	2
David P Hobart	6	6	-	-
John M Langley	6	6	2	2
Peggy P C Yeoh - resigned on 9 October 2008	1	1	1	1

Remuneration report

Remuneration and other terms of employment for executives are formalised in service agreements.

The Remuneration Committee determines remuneration of non-executive directors from time to time.

Executive remuneration and other terms of employment are reviewed annually having regard to performance, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the IFC Capital Group's operations.

Details of remuneration

The members of the Remuneration Committee are Alan Jones (Non-Executive Chairman) and John Langley (Independent Director). The key management personnel of IFC Capital includes the directors as detailed on pages 6-7 above and the following executive officers who reported directly to the Managing Director and who were the highest paid executives of the Group and company:

- Ian E Bangs – Company Secretary
- Angus F Hislop – General Manager Property (1/7/2008 - 28/2/2009)

Details of the remuneration of each director of the Company and key management personnel of the Company and the consolidated entities are set out in the following tables:

Key management personnel of IFC Capital Limited

2009	Short term employee benefits		Post-employment		
Name	**Cash salary and fees $**	**Cash Bonus $**	**Super-annuation $**	**Termination benefits $**	**Total $**
Non-executive directors					
Alan S Jones – Chairman	30,000	-	2,700	-	32,700
John M Langley	30,000	-	2,700	-	32,700
Peggy P C Yeoh (resigned 9 /10/ 2008)	8,226	-	740	-	8,966
Executive directors					
David P Hobart*	258,428	-	16,737	77,188	352,353
Executive officers					
Ian E Bangs	102,112	-	5,957	48,077	156,146
Angus F Hislop (1/7/2008 - 28/2/2009) **	113,971	-	5,505	17,643	137,119
Total	**542,737**	**-**	**34,339**	**142,908**	**719,984**

*Includes $25,000 paid to a David Hobart Pty Ltd, a company associated with Mr Hobart

**Includes $48,000 paid to a Zappar Pty Ltd, a company associated with Mr Hislop.

Cash salary and fees include long service leave paid.

2008	Short term employee benefits		Post-employment	Equity	
Name	**Cash salary and fees $**	**Cash Bonus $**	**Super-annuation $**	**Options $**	**Total $**
Non-executive directors					
Alan S Jones – Chairman	28,308	-	2,548	-	30,856
John M Langley	30,000	-	2,700	-	32,700
Peggy P C Yeoh	30,000		2,700	-	32,700
David P Hobart	229,358	-	20,642	48,000	298,000
Executive officers					
Ian E Bangs	125,000	-	11,250	7,200	143,450
Angus F Hislop	163,743*	-	8,257	7,200	179,200
Total	**606,409**	**-**	**48,097**	**62,400**	**716,906**

*Includes $72,000 paid to a Zappar Pty Ltd, a company associated with Mr Hislop.

Service agreements

Remuneration and other terms of employment for the full time executive directors and the full time specified executives are formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses, other benefits including health insurance, car allowances and tax advisory services, and participation, when eligible. For the year ended 30 June 2009 and 30 June 2008 100% of remuneration of Directors and key management personnel was fixed except for the options which were granted in 2008 and vested immediately. The major provision of the agreement relating to remuneration for full time employment is set out below.

David P Hobart, *Executive Director*

- Base salary, inclusive of superannuation, $250,000 per annum. The service agreement was terminated on 17 April 2009.
- Mr Hobart continues as a Director of the Company. The Board has agreed to pay Mr Hobart Director fees of $30,000 per annum and service agreement fees of $120,000 per annum.

Ian E Bangs, *Company Secretary*

- Base salary, inclusive of superannuation, $136,250 per annum. The service agreement as CFO was terminated on 2 February 2009.
- Mr Bangs continues as Company Secretary.

Angus Hislop – *General Manager Property (1/7/2008 - 28/2/2009)*

- Base salary, inclusive of superannuation, $100,000 per annum and terminated on 28 February 2009.
- Consultant Agreement for $72,000 per annum with Zappar Pty Ltd, a company associated with Mr Hislop.

Share based compensation

At the Annual General Meeting of shareholders of the Company held on 8 November 2005, shareholders approved and adopted the Employee Share Option Plan ("ESOP") and the Non-Executive Directors' Share Option Plan ("NEDOP") and approved the issue of Options under the terms of ESOP the terms of NEDOP. Options over unissued ordinary shares have been issued to the directors or the highest remunerated executives of the Company and consolidated entity on the 21 December 2006 and 21 December 2007. (Refer Note 21).

As a result of the termination of the service agreements of the key management personal and resignation of Peggy P C Yeoh as a director, the following share options expired during the year ended 30 June 2009:

Name	Number of options as at 30 June 2008	Forfeited options	Number of options as at 30 June 2009
Non-executive directors			
Peggy P C Yeoh – resigned 9 October 2008	500,000	(500,000)	-
Executive directors			
David P Hobart	1,700,000	(1,700,000)	-
Executive officers			
Ian E Bangs	150,000	(150,000)	-
Angus F Hislop (1/7/2008 - 28/2/2009)	150,000	(150,000)	-
Total	**2,500,000**	**(2,500,000)**	-

Shares Under Option

There are no unissued ordinary shares of IFC Capital Limited under option at the date of this report.

Share holdings

The numbers of shares in the company held during the financial year and at balance date by each director of IFC Capital Limited, including their personally-related entities, are set out below:

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of IFC Capital Limited **Ordinary shares**				
Alan S Jones	4,690,000	-	-	**4,690,000**
John M Langley	85,000	-	-	**85,000**
David P Hobart	31,800	-	-	**31,800**

There are no quoted options in the company. 3,595,552 options in the Company that were listed on the ASX and were exercisable at $0.30 each expired on 30 September 2008. There are no other quoted options.

Shares Issued on the Exercise of Options

Other than the above no further options or shares have been issued to key management personnel for whole or part of the financial year ended 30 June 2009.

Related party information

The names of persons who were directors of IFC Capital Limited at any time during the year ended 30 June 2009 are:

Chairman
Alan S Jones - Non-Executive Non-Independent Director and Chairman.

Non-executive directors
John M Langley – Non-Executive Independent Director.

Peggy P C Yeoh – resigned as a Non-Executive Non-Independent Director on 9 October 2009.

Executive directors
David P Hobart – Executive Director

Material contracts with Directors

The Company has not entered into any material contracts with Directors.

Loans to Directors

No loans to directors have been made during the year ended 30 June 2009.

Other transactions

The Company engaged LandMark White (NSW) Pty Ltd to perform a valuation on the Cranebrook land for the half year ended 31 December 2008 and paid $2,700 (2008: $8,150). David Hobart is a Non-Executive Director of LandMark White Limited. Ian Bangs provided services on behalf of the Company to LandMark White Limited. During part of the financial year the Company received $40,560 from LandMark White for the services provided by Ian Bangs. In January 2009, Ian Bangs became an employee of LandMark White Limited. A part time employee of the Company is also employed part time by LandMark White Limited.

Remuneration and retirement benefits

Details of directors' remuneration are set out in the Directors' Report and in Note 21 – Key Management Personnel Disclosures. The Company does not pay directors' retirement benefits other than the Company's superannuation contribution for the SGL.

Indemnification and Insurance of Officers and Auditors

During the financial year IFC Capital Limited paid a premium to insure the Directors, Secretary and senior managers of the Company. Directors' and Officers' Liability Insurance cover has been placed from 6 April 2005 with a retroactive date of 17 October 2003. The Directors' and Officers' Insurance expires on 30 June 2010. Professional Indemnity Insurance has been placed from 3 February 2006 and Civil Liability Insurance cover has been placed from 30 June 2006.

The liabilities insured are legal costs that maybe incurred in defending civil or criminal proceedings that maybe brought against the officers in their capacity as officers of entities of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to 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 these proceedings.

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

Non-audit services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entities are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below and in Note 22 to the accounts.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated	
	2009	**2008**
	$	**$**
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:		
Auditor of the parent entity – PricewaterhouseCoopers Australian firm	132,500	86,000
Remuneration for other services (due diligence):		
Remuneration for other services (income tax compliance and due diligence):		
Auditor of the parent entity – PricewaterhouseCoopers Australian firm	21,800	47,250
	154,300	133,250

Corporate Governance

Refer to pages 14 to 19 for the Corporate Governance Statement.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

Environmental Regulation

The Company has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

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

Alan S Jones
Chairman

Sydney
31 August 2009

David P Hobart
Managing Director

Sydney
31 August 2009

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Auditor's Independence Declaration

As lead auditor for the audit of IFC Capital Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of IFC Capital Limited and the entities it controlled during the period.

S.T.Maher

Shannon Maher
Partner
PricewaterhouseCoopers

Sydney
31 August 2009

CORPORATE GOVERNANCE STATEMENT

In developing IFC Capital's corporate governance policies, the Board has been guided by the 'Corporate Governance Principles and Recommendations' published by the ASX Corporate Governance Council. This statement outlines the main corporate governance practices in place throughout the financial year, and the extent to which IFC Capital follows the Best Practice Recommendation. Where the Company has not followed a recommendation, the recommendation is identified and the reasons are given for not following it.

The Board are committed to maintaining and achieving the highest standards of accountability and transparency and see the continued maintenance of a cohesive set of corporate governance policies as fundamental to the successful growth of the IFC Capital Group. As its base, the Board believes that corporate governance is about having a set of values and behaviours that underpin the group's everyday activities and protect the interests of stakeholders. The directors are responsible to the shareholders for the performance of the Company. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company and its controlled entities are properly managed.

A description of the Company's main corporate governance practices is set out below.

The Board of Directors

Board Role and Responsibility

The board's primary role is the protection and enhancement of long-term shareholder value. It is also required to:

- review and approval of corporate strategies and financial plans
- oversee and monitoring organisational performance and the achievement of the Company's strategic goals and objectives
- monitor financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors
- appointment and assessment of the performance of the Managing Director and the members of the senior management team
- ensure there are effective management processes in place and approving major corporate initiatives
- enhance and protecting the reputation of the organisation
- ensure significant risks facing the Company and its controlled entities have been identified, and appropriate adequate control monitoring and reporting mechanisms are in place
- report to shareholders.

The board has delegated responsibility for operation and administration of the Company to the Managing Director and senior executives. Responsibilities are delineated by formal authority delegations. The performance of senior executives is reviewed annually by the Managing Director. The performance of the Managing Director is reviewed annually by the Chairman.

Board Committees

To assist in the execution of its responsibilities, the board has established an Audit, Finance, Risk and Compliance Committee (AFRCC) and a Remuneration Committee. The committees have a written mandate and operating procedures, which are reviewed on a regular basis. The board does not have a nomination committee as this function is undertaken by the board. The structure and membership of each committee is reviewed from time to time.

The board has elected not to establish a Nominations Committee (Best Practice Recommendation 2.4 as set by the ASX Corporate Governance Council) on the basis that it is only a relatively small board and is able to efficiently carry out the functions that would otherwise be delegated to the Nominations Committee.

Membership

The Board believes that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually, and the Board collectively to:

- discharge their duties and responsibilities under the law efficiently and effectively;
- understand the business of the Group and the environment within which the Group operates so as to be able to agree with management, the objectives, goals and strategic direction to maximise shareholder value; and
- assess the performance of management in meeting those objectives.

The current membership of the Board and each individual voting Director's background are set out on page 6 of the Directors' Report.

Board Composition Directors' Independence

ASX Best Practice Recommendation 2.1 is that the board should comprise a majority of independent directors. During the reporting period the IFC Capital board comprised of two non-executive directors and one executive director, only one of whom is independent. The Board would ideally wish to have a majority of independent directors, however it has to determine the composition of the Board, subject to the limits imposed by IFC Capital's Constitution and the financial implications for a company of IFC Capital's size.

The board believes that the current non-executive directors bring the appropriate perspective to the board's consideration of strategic, risk and performance matters and are well placed to exercise appropriate judgement and review and constructively challenge the performance of management.

During the reporting period, the Chairman of the Company, Mr Alan Jones was a non-executive and non-independent director. ASX Best Practice Recommendation 2.2 is that the Chairperson of the board should be independent however the board believed that its composition is appropriate. Mr Jones brings extensive experience in the property profession. In addition appropriate conflict of interest policies are in place to ensure material personal interests are disclosed and dealt with appropriately.

Directors' Independence

The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are not a member of management and if they meet the following criteria:

- not a substantial shareholder of IFC Capital or of a company holding more than 5% of IFC Capital voting stock or an officer of or otherwise associated directly with a shareholder holding more than 5% of the IFC Capital voting stock;
- has not within the last 3 years been employed in an executive capacity by the Group or a controlled entity, or been a director after ceasing to hold any such employment;
- has not within the last 3 years been a principal of a material professional adviser or a material consultant to the Group or a controlled entity or an employee materially associated with the service provided;
- not a material supplier or customer of the Group or a controlled entity, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- must not have contractual relationship with the Group or a controlled entity other than as a director of the Group; and
- not been on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Group.

Chairman and Managing Director

The Chairman is responsible for leading the Board, ensuring that Board activities are organized and efficiently conducted and for ensuring directors are properly briefed for meetings. The Managing Director is responsible for implementing the Group's strategies and policies. The Board Charter specifies that these are separate roles are not to be undertaken by the same individual. In recognition of the importance of independent views and the board's role in supervising the activities of management, the Chairman and other non-executive directors meet regularly with the

Managing Director to discuss strategic issues and to review the performance of senior management. Due to the size of the Company and the fact that there are only two Non-executive Directors it is not practical or cost effective to employ the services of an external party to review their performance. In addition, each of the Non-executive Directors come up for re-election at the AGM every two years.

Avoidance of conflicts of interest by a Director

In accordance with the *Corporations Act 2001*, any Director with a material personal interest in a matter being considered by the Board must not be present when the matter is being considered and may not vote on the matter.

Independent professional advice

Directors and the board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chairman is required, but this is not unreasonably withheld.

Meetings of the Board and their conduct

The Board meets formally at least four times a year. In addition, it meets whenever necessary to deal with specific matters needing attention between the scheduled meetings. The Chairman and the Managing Director establish meeting agendas to ensure adequate coverage of financial, strategic and major risk areas throughout the year. In addition to its formal meetings, the Board is encouraged to undertake regular and relevant workshops.

Directors are always encouraged to participate with a robust exchange of views and to bring their independent judgements to bear on the issues and decisions at hand. Executive management regularly attend Board meetings and are also available to be contacted by Directors between meetings.

Board access to information and advice

All Directors have unrestricted access to company records and information and receive regular detailed financial and operational reports from executive management to enable them to carry out their duties. The Group's Company Secretary provides Directors with ongoing guidance on issues such as corporate governance, IFC Capital Group's Constitution and the law. The Chairman and other non-executive (independent) Directors also regularly consult with the CFO and Executive Directors and may consult with, and request additional information from, any IFC Capital Group employee. The Board collectively, and each Director individually, has the right to seek independent professional advice at IFC Capital's expense to help them carry out their responsibilities. While the Chairman's prior approval is needed, it may not be unreasonably withheld and, in its absence, Board approval may be sought.

Term of office

The Company's Constitution specifies that all Directors (with the exception of the Managing Director) must retire from office no later than the third annual general meeting (AGM) following their last election. Where eligible, a Director may stand for re-election subject to the following limitations:

- no Director (other than the Managing Director) may serve more than four terms (twelve years), and
- on attaining the age of 70 years a Director will retire, by agreement, at the next AGM and may seek re-election.

In addition, the Board seeks to ensure that the membership at any point in time represents an appropriate balance between directors with experience and knowledge of the Company and Directors with an external or fresh perspective.

Audit, Finance, Risk and Compliance Committee (AFRCC)

The AFRCC has a documented charter, approved by the board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the consolidated entity.

The AFRCC consists of the following Directors:
Alan Jones (Non-executive Chairman)
John Langley (Independent Director)

The AFRCC comprises three members all of whom are Non-executive Directors. However it is not in line with ASX Best Practice Recommendation 4.3 set by the ASX Corporate Governance Council as there is not a majority being independent and the Chairman of the AFRCC is the Chairman of the board. Due to the size of the Company, the number of non-executive directors and the number of committees that board members are required to serve on it is currently not possible to comply with Recommendation 4.3.

The external auditors, the Managing Director and Chief Financial Officer are invited to AFRCC meetings at the discretion of the committee. The committee meets a minimum of two times during the year. The Managing Director and the Chief Financial Officer declared in writing to the board that the Company's financial reports for the year ended 30 June 2009 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually and is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

The AFRCC members have appropriate financial expertise and all members have a working knowledge of the financial services industry in which the Group operates.

The AFRCC operates in accordance with a separate charter. The main responsibilities of the committee are to:

- review, assess and approve the annual report and the half-year financial report;
- assist the board in reviewing the effectiveness of the organisation's internal control;
- oversee the effective operation of the risk management framework;
- recommend to the board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit and assess performance;
- consider the independence and competence of the external auditors on an ongoing basis;
- review and monitor related party transactions and assess their propriety;
- monitor the current and forecast liquidity and cash flow of the Group; and
- report to the board on matters relevant to the roles and responsibilities of the AFRCC.

In fulfilling its responsibilities, the AFRCC:

- receives regular reports from management and external auditors;
- meets with the external auditors at least twice a year or more frequently if necessary.

The AFRCC has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party. The Committee's charter is reviewed annually and updated as necessary. The charter is available to shareholders on request.

Remuneration Committee

The role of the Remuneration Committee is to ensure that the remuneration policies and outcomes are achieve an appropriate balance between the IFC Capital shareholders and rewarding and motivating executives and employees in order to achieve their long term commitment to the Company. The remuneration of senior executives consists of base remuneration, allowances and superannuation.

The Remuneration Committee consists of the following directors:

Alan Jones (Non-executive Chairman)
John Langley (Independent Director)

The Remuneration Committee advises the board on remuneration policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, Senior Executives and Non-executive Directors.

Each member of the Senior Executive team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights and responsibilities.

Executive remuneration and other terms of employment are reviewed annually by the Committee having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages may include superannuation, retirement and termination entitlements, performance-related bonuses and fringe benefits.

The Remuneration Committee's terms of reference include responsibility for reviewing any transactions between the organisation and the directors.

Non-executive Directors are paid an annual fee for their service on the Board and committees which is determined by the Remuneration Committee. Total remuneration for all Non-executive Directors is not to exceed $400,000 per annum. The Non-executive Directors' total fees for the year were $74,366. These fees include statutory superannuation. Non-executive Directors do not receive bonuses.

Risk Management

Oversight of the risk management system

Management has established and implemented a fully comprehensive formal Risk Management System for assessing, monitoring and managing operational, financial reporting and compliance risks for the consolidated entity.

The Managing Director and the Chief Financial Officer have declared, in writing to the board, that:

- in accordance with best practice recommendation 4.1, the IFC Capital Group's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operating results of IFC Capital and the consolidated entity and are in accordance with the relevant accounting standards; and
- the above statement is founded on a sound system risk management and internal compliance and control which implements the policies adopted by the board.

External auditors

The Group's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditors is reviewed annually. PricewaterhouseCoopers was appointed as the external auditor in 2000. It is PricewaterhouseCoopers' policy to rotate engagement partners on listed company audits in accordance with the requirements of the CLERP 9 legislation. The current engagement partner has been the engagement partner since February 2008 and is eligible to continue as the engagement partner up to and including the year ended 30 June 2012.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the AFRCC. For more information please review the Group's Audit Independence Policy.

Code of Conduct

The Group has developed a Code of Conduct (Code) which has been endorsed by the board and applies to all Directors and employees of the Group. The Code requires that at all times all Group personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of both the law and Group policies.

A Director or employee of the Company may only deal in the company's securities if that Director or employee is not in possession of information that he or she knows or ought reasonably to know is Unpublished Price Sensitive Information in relation to the company's securities and the prior clearance of the Board has been provided.

In addition to obtaining prior clearance of the Board, a Director or employee who deals in the company's securities must immediately notify the Board of the details of the dealing.

The Company must keep a register of all dealings in its securities by directors or employees that are notified to it.

The directors are satisfied that the Group has complied with its policies on ethical standards, including trading in securities.

Continuous disclosure and shareholder communication

The board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters on a timely basis that may have a material effect on the price of the Company's securities, ensuring the matters are factual and expressed in a clear and factual way, notifying the ASX, posting them on the Company's website, and issuing media releases. The Company Secretary is accountable for ensuring adherence to the Continuous Disclosure Policy. Details of the policy are available on the Company's website www.ifccapital.com.au

Consistent with the Continuous Disclosure Policy, IFC Capital is committed to communicating with shareholders in an effective and timely manner, so as to provide them with ready access to information relating to the Company.

Shareholders are encouraged to attend and participate in general meetings of the Company. Shareholders are provided with details of any proposed meetings well in advance of the relevant dates. The external auditor will attend any Annual General Meeting and be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

Income statements
for the year ended 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Revenue from continuing operations	5	**94,838**	348,794	**164,487**	361,421
Administration costs		**(518,727)**	(512,187)	**(422,406)**	(382,161)
Occupancy costs		**(76,848)**	(138,443)	**(76,848)**	(138,443)
Employee benefits expenses		**(663,578)**	(718,468)	**(663,577)**	(718,468)
Depreciation		**(26,137)**	(27,253)	**(26,137)**	(27,253)
Impairment of equipment		**(56,685)**	-	**(56,685)**	-
Impairment of assets		**-**	(99,061)	**(4,864,391)**	(244,826)
Other expenses		**(1,069)**	(112,048)	**(1,136)**	(4,884)
Loss before income tax		**(1,248,206)**	(1,258,666)	**(5,946,693)**	(1,154,614)
Income tax expense		**-**	-	**-**	-
Loss from continuing operations		**(1,248,206)**	(1,258,666)	**(5,946,693)**	(1,154,614)
Loss from discontinuing operations	8	**(4,817,010)**	(82,416)	**-**	-
Loss for the year		**(6,065,216)**	(1,341,082)	**(5,946,693)**	(1,154,614)
Earnings per share for loss from continuing operations					
Basic earnings per share	28	**($0.0224)**	($0.0020)		
Diluted earnings per share	28	**($0.0224)**	($0.0020)		
Earnings per share for loss					
Basic earnings per share	28	**($0.1090)**	($0.0318)		
Diluted earnings per share	28	**($0.1090)**	($0.0318)		

The above income statements should be read in conjunction with the accompanying notes

Balance sheets
as at 30 June 2009

		Consolidated		Parent entity	
	Note	2009 $	2008 $	2009 $	2008 $
Current assets					
Cash & cash equivalents	9	273,807	818,894	130,280	646,391
Trade & other receivables	10	298,099	131,048	265,699	25,372
Non-current assets classified as held for sale – Cranebrook land	8	17,500,000	-	-	-
Total current assets		18,071,906	949,942	395,979	671,763
Non-current assets					
Investments in subsidiaries	11	-	-	101,106	101,106
Other receivables	10	-	227,294	5,816,939	9,517,207
Cranebrook land	12	-	20,554,627	-	-
Property, plant & equipment	13	-	82,822	-	82,822
Total non-current assets		-	20,864,743	5,918,045	9,701,135
TOTAL ASSETS		**18,071,906**	**21,814,685**	**6,314,024**	**10,372,898**
Current liabilities					
Trade & other payables	14	156,379	193,777	317,050	239,966
Interest bearing liabilities	17	-	11,297,346	-	-
Liabilities relating to discontinuing operations	8	11,846,446	-	-	-
Provisions	16	960	62,171	960	62,171
Total current liabilities		12,003,785	11,553,294	318,010	302,137
TOTAL LIABILITIES		**12,003,785**	**11,553,294**	**318,010**	**302,137**
NET ASSETS		**6,068,121**	**10,261,391**	**5,996,014**	**10,070,761**
Equity					
Contributed equity	18	24,981,436	23,109,490	24,981,436	23,109,490
Reserves	19	136,400	136,400	136,400	136,400
Accumulated losses	19	(19,049,715)	(12,984,499)	(19,121,822)	(13,175,129)
TOTAL EQUITY		**6,068,121**	**10,261,391**	**5,996,014**	**10,070,761**

The above balance sheets should be read in conjunction with the accompanying notes

Statements of changes in equity for the year ended 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Equity at the beginning of the period		**10,261,391**	**11,539,721**	**10,070,761**	**11,162,623**
Loss for the year		(6,065,216)	(1,341,082)	(5,946,693)	(1,154,614)
Total recognised income and expense for the year		**(6,065,216)**	**(1,341,082)**	**(5,946,693)**	**(1,154,614)**
Transactions with equity holders in their capacity as equity holders					
Contributions of equity	18	2,017,328	352	2,017,328	352
Share issue expense		(145,382)	-	(145,382)	-
Employee share options	19	-	62,400	-	62,400
Total equity at end of the period		**6,068,121**	**10,261,391**	**5,996,014**	**10,070,761**

The above statements of changes in equity should be read in conjunction with the accompanying notes

Cash flow statements
for the year ended 30 June 2009

	Note	Consolidated 2009 $	Consolidated 2008 $	Parent entity 2009 $	Parent entity 2008 $
Cash flows from operating activities					
Receipts from customers		107,334	195,512	145,491	327,705
Payments to suppliers, employees and creditors (inclusive of GST)		(1,239,230)	(1,943,146)	(965,178)	(1,242,900)
Interest received		31,456	67,687	28,188	47,657
Interest paid		(1,317,103)	(883,583)	-	-
Net cash outflow from operating activities	26	**(2,417,543)**	**(2,563,530)**	**(791,499)**	**(867,538)**
Cash flows from investing activities					
Purchase of property, plant & equipment		-	(77,118)	-	(77,118)
Payments for costs relating to the Cranebrook land		(239,725)	(333,963)	-	-
Payment for other financial asset		-	(30,111)		(30,111)
Payment of loans to controlled entities		-	-	(1,584,139)	(82,073)
Security deposits (lodged)/refund		(12,419)	15,775	(12,419)	15,775
Net cash outflow from investing activities		**(252,144)**	**(425,417)**	**(1,596,558)**	**(173,527)**
Cash flows from financing activities					
Proceeds from issue of shares		2,017,328	352	2,017,328	352
Payment of share issue costs		(145,382)	-	(145,382)	-
Proceeds from borrowings		252,654	1,759,593	-	-
Proceeds from controlled entities		-	-	-	101,274
Net cash inflow from financing activities		**2,124,600**	**1,759,945**	**1,871,946**	**101,626**
Net increase/(decrease) in cash held		**(545,087)**	**(1,229,002)**	**(516,111)**	**(939,439)**
Cash & cash equivalents at the beginning of the financial year		818,894	2,047,896	646,391	1,585,830
Cash & cash equivalents at the end of the financial year	9	**273,807**	**818,894**	**130,280**	**646,391**

The above cash flow statements should be read in conjunction with the accompanying notes

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for IFC Capital Limited as an individual entity and the consolidated entity consisting of IFC Capital Limited and its subsidiaries.

Going concern

At the date of signing the report the Company had settled on the sale of the land at Cranebrook, repaid all outstanding loans to the Bank of Western Australia and had cash on deposit of approximately $6.0 million (after allowing for GST payable on sale of the land). As a result of the sale of land, the Company has sufficient funds to pay its debts as and when they fall due and will continue to realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors are considering the opportunities that are available to the Company in corporate advisory, property investment and strategic investment in small and medium companies which are the principal activities of the Company and have prepared these accounts on a going concern basis.

(a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian equivalent to International Financial Reporting Standards ("AIFRS"), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the *Corporations Act 2001*.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of IFC Capital Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IFC Capital Limited ("company" or "parent entity") as at 30 June 2009 and the results for all subsidiaries for the year then ended. IFC Capital Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual statements of the parent entity.

(ii) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financials using the cost method and consolidated accounts using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes any goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of associates post acquisition profits or losses are recognised in the income statement and its share of the post-acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

There have been no post acquisition profits or movements in reserves. Consequently, no profits or losses and movement in reserves have been recorded in relation to the associate.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of IFC Capital Limited.

(ii) Transactions and balances

The Group did not engage in any foreign currency transactions during the year.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The group recognises revenue 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 Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into account the type of customer, the type of transaction and specifics of each arrangement.

(i) Corporate advisory

Revenue is recognised when services are rendered.

(ii) Interest

Interest income on cash on deposit is recognised on a time proportion basis using the effective interest method.

(f) 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 national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined by using tax rates (and laws) that have been enacted or substantially enacted by the balance date and are expected to apply when the related 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 liabilities and assets are not recognised for temporary differences between the carrying amount and the tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

IFC Capital Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under such operating leases (net of any incentives received from the Lessor) are charged to the income statement on a straight line basis over the period of the lease.

(h) Cash and cash equivalents

For cash flow statement presentation purposes, 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, and bank overdrafts. Bank overdrafts would be shown within borrowings in current liabilities on the balance sheet.

(i) Trade receivables

Trade receivables are recognised initially at invoiced value less provision for doubtful debts. Trade receivables are generally due for settlement within 30 days. Collectibility of trade receivables is reviewed on an ongoing basis. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or the financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial

The amount of the impairment loss is recognised in the income statement within impairment of assets. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment of assets in the income statement.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortise while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

The sale of the Cranebrook land was settled on 11 August 2009 at the value reflected in the accounts at balance date.

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement and are included in other income or other expenses.

(l) Property plant and equipment

Furniture, fittings and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Furniture, fittings and equipment is depreciated over a 3 to 5 year period. The assets' residual values and useful lives are reviewed and if appropriate adjusted at each balance sheet date. The asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Loans and Borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

All borrowing are current as reflected in the accounts at balance date and have been repaid in full on 11 August 2009.

(o) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(p) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(q) Employee entitlements

(i) Wages and salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit cost method. Consideration is given to expected future wages and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

(iii) Retirement Benefits obligations

Contributions to a defined contribution fund are recognised as an expense as they become payable.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the IFC Capital Employee Option Plan. Information relating to the scheme is set out in note 21.

The fair value of share options granted under the IFC Capital Employee Share Option Plan ("ESOP") is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non tradeable nature of the option, the share price at grant date, and the expected share price volatility of the underlying share, the expected dividend yield, and the risk free interest rate for the term of the option.

The fair value of share options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At balance sheet date, the entity revises the estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

(r) Contributed equity

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. Incremental costs directly attributable to the issue of the new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit and loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(s) Earnings per share

(i)Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders 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.

(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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) 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 balance sheet.

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

(u) New accounting standards and interpretations

AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 requires adoption of a "management approach" to reporting on the financial performance. The information being reported will be based on what the key decision-makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will apply AASB 8 from 1 July 2009. Application of AASB 8 will not affect any of the amounts recognised in the financial statements.

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 The revised AASB 101 that was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity but will not affect any of the amounts recognised in the financial statements. The Group will apply the revised standard from 1 July 2009. It is not expected to have any significant impact on the financial statements.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations AASB 2008-1 was issued in February 2008 and will become applicable for annual reporting periods beginning on or after 1 January 2009. The revised standard clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment. The Group will apply the revised standard from 1 July 2009, but it is not expected to affect the accounting for the Group's share-based payments.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement on 31 July 2008 the IASB issued an amendment to IAS 39, Eligible Hedged Items. It is effective for accounting periods beginning on or after 1 July 2009 and must be applied retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Group will apply the amended standard from 1 July 2009. The standard is not expected to have any impact on the financial statements as Group does not have any designated hedging relationships.

Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 Revised accounting standards for business combinations and consolidated financial statements were issued in March 2008 and are operative for annual reporting periods beginning on or after 1 July 2009, but may applied earlier. The Group will apply the revised standards from 1 July 2009. The new rules generally apply only prospectively to transactions that occur after the application date of the standard. Their impact will therefore depend on whether the Group will enter into any business combinations or other transactions that affect the level of ownership held in the controlled entities in the year of initial application.

Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009) The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of the Group.

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risk; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the Managing Director and Chief Financial Officer.

The Group and the parent entity hold the following financial instruments:

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents	273,807	818,894	130,280	646,391
Trade and other receivables	298,099	358,342	6,082,638	9,542,579
	571,906	1,177,236	6,212,918	10,188,970
Financial liabilities				
Trade and other payables	247,169	193,777	317,050	239,966
Derivate financial instrument	205,656	-	-	-
Borrowings	11,550,000	11,297,346	-	-
	12,002,825	11,491,123	317,050	239,966

(a) Market risk

(i) Foreign currency risk

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Australian dollars, which is the functional and presentation currency of IFC Capital Limited. The group and the parent are not exposed to any foreign currency risk.

(ii) Price risk

The Group and the parent are not exposed to equity securities price risk or to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk at balance date arose from short term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. Group policy is to maintain all of its borrowings at fixed rates using interest rate swaps to achieve this when required. During 2009 and 2008, the Groups borrowings at variable rates were in Australian dollars.

These borrowings were repaid in full on 11 August 2009.

At the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	30 June 2009		30 June 2008	
	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Bank loans	8.55	11,550,000	8.88	11,297,346
Interest rate swaps (notional principal amount)	7.92	(11,550,000)	7.90	(11,550,000)
Net exposure to cash flow interest rate risk		-		(252,654)

The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps.

Group sensitivity

At 30 June 2009, if interest rates had changed by -/+ 80 basis points from the year end rates, with all other variables held constant, the impact on the loss would have been $2,190 (2008: $6,500) higher/ lower. In respect of the trade receivables and trade payables there would be no impact on the net loss of a +/- 80 basis points change in interest rates.

Parent's sensitivity

The parent's interest rate risk is limited to cash on hand. If interest rates had changed by -/+ 80 basis points from the year end rates, with all other variables held constant, the impact on the loss would have been $1,042 (2008: $5,171) higher/ lower.

(b) Credit risk

Credit risk arises from cash and cash equivalents and outstanding receivables. Cash is held with the Company's bank, Westpac Banking Corporation. Credit limits are reviewed by senior management to manage the risk of impairment of receivables.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. In February 2008 the Company negotiated the rollover of the $11.55 million loan facility with Bank of Western Australia until 15 October 2009. This facility was repaid in full on 11 August 2009. Due to the revaluation of the Cranebrook land at 31 December 2008, the Company was in breach of its covenants with Bank of Western Australia at 30 June 2009. The Bank of Western Australia confirmed that it did not intend to call in the facility before maturity. As a result of the sale of the Cranebrook land, and repayment of the bank loans subsequent to year end the Group has $6.0 million cash on hand (after allowing for GST payable on sale of the land) at the date of this report which is sufficient to manage the liquidity requirements.

Financial arrangements

The Group and the parent entity had access to the following undrawn borrowing facilities at the reporting date:

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Fixed and variable rate				
Expiring beyond one year (bank loans)	-	253,000	-	-
	-	253,000	-	-

During the year bank loans were drawn to meet costs associated with the rezoning of the Cranebrook land.

Maturities of financial liabilities

The tables below analyse the Group's and the parent entity's financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Interest payable on the loan has been disclosed in the table below.

Group – at 30 June 2009	**Less than 3 months**	**3-6 months**	**6-12 months**	**12-18 months**	**Total contractual cash flows**	**Carrying amount**
Non derivatives						
Creditors – non-interest bearing	247,169	-	-	-	247,169	247,169
Floating rate	-	11,865,000	-	-	11,865,000	11,550,000
Total non-derivative	247,169	11,865,000	-	-	12,112,169	11,797,169
Derivative interest rate swap	-	205,656	-	-	205,656	205,656
Group – at 30 June 2008						
Non derivatives						
Creditors – non-interest bearing	193,777	-	-	-	193,777	193,777
Floating rate	234,000	234,000	468,000	11,570,346	12,506,346	11,297,346
Total non-derivative	427,777	234,000	468,000	11,570,346	12,700,123	11,491,123

Parent – at 30 June 2009	**Less than 3 months**	**3-6 months**	**6-12 months**	**12-18 months**	**Total contractual cash flows**	**Carrying amount**
Non derivatives						
Creditors – non-interest bearing	317,050	-	-	-	317,050	317,050
Floating rate	-	-	-	-	-	-
Total non-derivative	317,050	-	-	-	317,050	317,050
Parent – at 30 June 2008						
Non derivatives						
Creditors – non-interest bearing	239,966	-	-	-	239,966	239,966
Floating rate	-	-	-	-	-	-
Total non-derivative	239,966	-	-	-	239,966	239,966

Fair Value

The carrying value of trade receivables and trade payables is assumed to approximate their fair values due to their short term nature.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group does not believe there are any estimates or assumptions that have been made that will have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. SEGMENT INFORMATION – CONSOLIDATED

The Company and its controlled entity operate in the one geographical area, that being Australia. The business operations are investment holdings, property investment and corporate advisory.

	2009 $	2008 $
SEGMENT REVENUE		
Investments holding	39,278	84,229
Corporate advisory	55,560	264,565
Property investments (discontinued operations)	-	-
	94,838	348,794
SEGMENT RESULT		
Investments holding	39,278	84,229
Corporate advisory	(1,287,484)	(1,342,895)
Property investments (discontinued operations)	(4,817,010)	(82,416)
	(6,065,216)	(1,341,082)
SEGMENT ASSETS		
Investments holding	571,906	1,260,058
Corporate advisory	-	-
Property investments (discontinued operations)	17,500,000	20,554,627
Total assets	18,071,906	21,814,685
Liabilities involved in investment holding and property investments		
Segment liabilities		
Investments holding	157,339	255,948
Corporate advisory	-	-
Property investments (discontinued operations)	11,846,446	11,297,346
Total liabilities	12,003,785	11,553,294
Segment depreciation		
Investments holding	-	-
Corporate advisory	26,137	27,253
Property investments (discontinued operations)	-	-
Total depreciation	26,137	27,253
Segment impairment		
Investments holding	-	-
Corporate advisory	56,685	-
Property investments (discontinued operations)	3,500,000	-
Total impairment	3,556,685	-

5. REVENUE

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
Corporate advisory	55,560	264,565	-	-
Interest	34,278	67,818	34,487	47,788
Management fees	-	-	125,000	300,000
Other revenue	5,000	16,411	5,000	13,633
Total revenue	94,838	348,794	164,487	361,421

6. EXPENSES

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
Loss before income tax includes the following specific expenses:				
Expenses				
Depreciation				
Plant & equipment	4,409	5,875	4,409	5,875
Furniture & fixtures	21,728	21,378	21,728	21,378
Total depreciation	26,137	27,253	26,137	27,253
Impairment of property, plant and equipment	56,685	-	56,685	-
Minimum lease payments	69,869	103,791	69,869	103,791
Share based payments	-	62,400	-	62,400
Finance charges	763,524	-	-	-
Defined contribution expense	37,570	50,768	37,570	50,768

7. INCOME TAX EXPENSE

The amount of income tax attributable to the financial year differs from the amount calculated prima facie on the loss. The differences are reconciled as follows

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
Loss from ordinary activities before income tax expense	(6,065,216)	(1,341,082)	(5,946,693)	(1,154,614)
Income tax calculated at 30% (2008 – 30%)	(1,819,565)	(402,325)	(1,784,008)	(346,384)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Employee share options	-	18,720	-	18,720
Other	3,132	2,483	3,132	2,483
Prior year under/over provision	(144,410)	-	(144,410)	-
	(1,960,843)	(381,122)	(1,925,286)	(325,181)
Tax losses not recognised	1,960,843	381,122	1,925,286	325,181
Income tax expense	-	-	-	-

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Temporary differences				
Deferred tax liability	(750,000)	-	-	-
Previously unrecognised deferred tax losses	750,000	-	-	-
Net deferred tax	-	-	-	-

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	12,297,867	8,261,723	-	-
Potential tax benefit at 30%	3,689,360	2,478,517	-	-

8. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION

(a) Description of discontinued operation

On 11 August 2009 the Company settled on the sale of the land at Cranebrook (Lot 2 in DP 1057347) for $17,500,000 (exclusive of GST). The land was sold to the Minister administering the National Parks and Wildlife Act 1974 (NSW). The Company repaid all loan facilities totalling $11,550,000 to the Bank of Western Australia. The remaining cash of $5,950,000 is held on short term deposit. The land was written down to sale value and an impairment of $3,500,000 was recognised in the income statement.

Financial information relating to the discontinued operation for the period to date of disposal is set out below.

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
(a) Non-current assets classified as held for sale				
Cranebrook land	17,500,000	-	-	-
Total assets of disposal group held for sale	17,500,000	-	-	-

At 30 June 2009 end the land is classified as non-current asset held for sale. The land was classified as non-current for the year ended 30 June 2008, refer to note 12. Subsequent to year end the following liabilities were settled:

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
(b) Liabilities directly associated with non-current assets classified as held for sale				
Trade payables	90,790	-	-	-
Derivative financial instrument (note 15)	205,656	-	-	-
Interest bearing liabilities	11,550,000	-	-	-
Total liabilities of disposal group for sale	11,846,446	-	-	-

The interest bearing liabilities were classified as current in 2008. Refer to note 17.

(c) Financial performance and cashflow information	**Consolidated 2009 $**	**Consolidated 2008 $**	**Parent entity 2009 $**	**Parent entity 2008 $**
Revenue	-	-	-	-
Impairment of Cranebrook land	(3,500,000)	-	-	-
Finance costs – Cranebrook land	(763,524)	-	-	-
Other expenses	(347,830)	(82,416)	-	-
Loss on derivative financial instrument	(205,656)	-	-	-
Loss before income tax	(4,817,010)	(82,416)	-	-
Income tax expense	-	-	-	-
Loss after income tax of discontinued operations	(4,817,010)	(82,416)	-	-
Net cash inflow from operating activities	(1,317,103)	(883,583)	-	-
Net cash inflow (outflow) from investing activities	(239,725)	(333,963)	-	-
Net cash inflow from financing activities	252,654	1,759,593	-	-
Net (decrease)/increase in cash generated by the division	(1,304,174)	542,047	-	-

9. CASH & CASH EQUIVALENTS	**Consolidated 2009 $**	**Consolidated 2008 $**	**Parent entity 2009 $**	**Parent entity 2008 $**
Cash at bank and on hand	273,807	818,894	130,280	646,391
	273,807	818,894	130,280	646,391

10. TRADE & OTHER RECEIVABLES	**Consolidated 2009 $**	**Consolidated 2008 $**	**Parent entity 2009 $**	**Parent entity 2008 $**
Current assets				
Trade receivables	4,196	158,959	-	7,841
Less: Provision for doubtful receivables	-	(111,943)	-	(4,920)
Interest receivable	-	1,345	-	1,381
Security deposit	239,713	-	239,713	-
Other receivables	40,196	33,515	11,992	3,120
Prepayments	13,994	49,172	13,994	17,950
	298,099	131,048	265,699	25,372
Non-current assets				
Owing by controlled entities	-	-	10,957,025	9,565,609
Provision against carrying value	-	-	(5,140,086)	(275,696)
	-	-	5,816,939	9,289,913
Security deposits	-	227,294	-	227,294
	-	227,294	5,816,939	9,517,207

Security deposits relate to the loan bond on the Bank of Western Australia facility and bear variable interest rates currently at 2.95 %. (2008: 7.2%).

During the year an impairment charge of $4,864,391 was recognised in relation to loans to subsidiaries.

(a) Impaired trade receivables

As at 30 June 2009 there were no current trade receivables of the Group or parent that were impaired (2008 - $111,943). There was no provision for impaired receivables. There are no receivables past due but not impaired.

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2009 $	2008 $
Balance at 1 July	111,943	-
Provision for impairment recognised during the year	-	111,943
Balances written off during the year against receivables as uncollectable	(111,943)	-
Balance at 30 June	-	111,943

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
11. INVESTMENTS				
Non-current				
Investment in associate	99,061	99,061	99,061	99,061
Provision against carrying value	(99,061)	(99,061)	(99,061)	(99,061)
Shares in controlled entities (note 20)	-	-	499,416	499,416
Provision against carrying value (note 20)	-	-	(398,310)	(398,310)
	-	-	101,106	101,106

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
12. CRANEBROOK LAND				
Cranebrook land – at cost	-	15,000,000	-	-
Capitalised borrowing cost	-	2,929,677	-	-
Capital expenditure	-	2,624,950	-	-
	-	20,554,627	-	-

The Cranebrook land has been reclassified as held for sale. Refer to note 8.

	Consolidated		Parent entity	
	2009	2008	2009	2008
	$	$	$	$
13. PROPERTY, PLANT & EQUIPMENT				
Leasehold improvements – at cost	14,302	14,302	14,302	14,302
Less accumulated amortisation	(14,302)	(14,302)	(14,302)	(14,302)
	-	-	-	-
Plant and equipment – at cost	380,299	380,299	380,299	380,299
Depreciation expense	(4,409)	(5,875)	(4,409)	(5,875)
Impairment of equipment	(13,229)	-	(13,229)	-
Less accumulated depreciation	(362,661)	(356,786)	(362,661)	(356,786)
	-	17,638	-	17,638
Furniture & fixtures – at cost	179,806	179,806	179,806	179,806
Depreciation expense	(21,728)	(21,378)	(21,728)	(21,378)
Impairment of furniture & fixtures	(43,456)	-	(43,456)	-
Less accumulated amortisation	(114,622)	(93,244)	(114,622)	(93,244)
	-	65,184	-	65,184
Total property, plant & equipment	-	82,822	-	82,822

Reconciliations
Reconciliations of the carrying amounts of each class of property, plant & equipment at the beginning and end of the current financial year are set out below:

	Plant & equipment	Furniture & fixtures	Total
	$	$	$
Consolidated			
Carrying value at 1 July 2008	17,638	65,184	82,822
Additions	-	-	-
Impairment	(13,229)	(43,456)	(56,685)
Depreciation expense	(4,409)	(21,728)	(26,137)
Carrying value at 30 June 2009	-	-	-
Parent entity			
Carrying value at 1 July 2008	17,638	65,184	82,822
Additions	-	-	-
Impairment charge	(13,229)	(43,456)	(56,685)
Depreciation expense	(4,409)	(21,728)	(26,137)
Carrying value at 30 June 2009	-	-	-

As a result of the Group terminating its lease agreement during the year all plant and equipment related to the leased premises has been written off.

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
14. TRADE & OTHER PAYABLES				
Current				
Trade payables	20,982	56,342	20,770	28,304
Other payables	135,397	137,435	296,280	211,662
	156,379	193,777	317,050	239,966

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
15. DERIVATIVE FINANCIAL INSTRUMENTS				
Current liabilities				
Interest rate swap contract	205,656	-	-	-

For details of the derivative financial instrument refer to note 2.

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
16. PROVISIONS				
Current				
Employee entitlements	960	62,171	960	62,171
17. INTEREST BEARING LIABILITIES				
Bank loans	-	11,297,346	-	-

The bank loans are secured by a charge over the Cranebrook land and at 30 June 2009 have been classified as liabilities relating to discontinued operations (refer to note 8). These loans were repaid in full on 11 August 2009, at the time of settlement of the sale of the Cranebrook land. Refer to note 2 for further details of risk exposure.

			Consolidated	
	2009 Number	**2008 Number**	**2009 $**	**2008 $**
18. CONTRIBUTED EQUITY				
Share Capital				
Ordinary shares, fully paid	62,339,773	42,166,491	24,981,436	23,109,490

Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
1 July 2006	Balance	34,971,877		21,360,373
13 June 2007	Issue of shares – Rights Issue	7,193,441	$0.25	1,798,360
13 June 2007	Less: Issue costs			(49,595)
10 July 2007	Issue of shares – options conversion	585	$0.30	176
13 July 2007	Issue of shares – options conversion	588	$0.30	176
29 August 2008	Issue of shares - placement	6,320,000	$0.10	632,000
26 November 2008	Issue of shares – Rights Issue	13,853,282	$0.10	1,385,328
26 November 2008	Less: Issue costs			(145,382)
30 June 2009	Balance	62,339,773		24,981,436

(a) 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 up 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.

(b) Options

At balance date, there were no listed or unlisted options on issue.

(c) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may, return capital to shareholders, issue new shares or sell assets.

	Consolidated		Parent Entity	
19. RESERVES AND ACCUMULATED LOSSES	**2009 $**	**2008 $**	**2009 $**	**2008 $**
a) Share based payment reserve at 1 July 2008	136,400	74,000	136,400	74,000
Options issued	-	62,400	-	62,400
Share based payment reserve at 30 June 2009	136,400	136,400	136,400	136,400
The share base payment reserve is used to recognise the fair value of options issued but not exercised.				
b) Accumulated losses at beginning of the year	(12,984,499)	(11,643,417)	(13,175,129)	(12,020,515)
Net loss attributable to members of IFC Capital Limited	(6,065,216)	(1,341,082)	(5,946,693)	(1,154,614)
Accumulated losses at the end of the year	(19,049,715)	(12,984,499)	(19,121,822)	(13,175,129)

INVESTMENT IN CONTROLLED ENTITIES

Name of Controlled Entity	Country of incorporation	Class of shares	Equity holding 2009 %	Equity holding 2008 %	Parent entity's investment 2009 $	Parent entity's investment 2008 $
IFC Marketing Pty Ltd	Australia	Ordinary	100	100	100	100
IFC Funds Management Limited	Australia	Ordinary	100	100	100,001	100,001
IFC Nominees Limited	Australia	Ordinary	100	100	2	2
IFC Cranebrook Limited	Australia	Ordinary	100	100	2	2
IFC Development Fund	Australia	Ordinary	100	100	1,000	1,000
Trademark Backoffice Systems Pty Limited	Australia	Ordinary	100	100	-	-
Development Support Services Pty Limited	Australia	Ordinary	100	100	1	1
					101,106	101,106

21. KEY MANAGEMENT PERSONNEL DISCLOSURE	Consolidated 2009 $	Consolidated 2008 $	Parent Entity 2009 $	Parent Entity 2008 $
(a) Aggregate compensation				
Short term employee benefits*	542,737	606,409	542,737	606,409
Post employment benefits	34,339	48,097	34,339	48,097
Share-based payments	-	62,400	-	62,400
Termination payments	142,908	-	142,908	-
	719,984	716,906	719,984	716,906

*Includes $48,000 paid to a Zappar Pty Ltd, a company associated with Mr Angus Hislop and $25,000 paid to a David P Hobart Pty Ltd, a company associated with Mr David Hobart.

(b) Details of Key Management Personnel

Alan S Jones	Non-executive Chairman
David P Hobart	Executive Director
John M Langley	Non-executive Director
Ian E Bangs	Company Secretary
Peggy P C Yeoh	Resigned as a Non-Executive Director on 8 October 2008.
Angus F Hislop	General Manager, Property (resigned on 28 February 2009)

(c) Material contracts with Directors

The Company has not entered into any material contracts with Directors.

(d) Loans to Directors

No loans to Directors have been made during the year ended 30 June 2009.

(e) Related party information

The names of persons who were directors of IFC Capital Limited at any time during the year ended 30 June 2009 are:

Chairman

Alan S Jones

Non-Executive Directors

John M Langley

Peggy P C Yeoh - resigned as a Non-Executive Director on 8 October 2008.

Executive directors
David P Hobart

Other transactions

The Company engaged LandMark White (NSW) Pty Ltd to perform a valuation on the Cranebrook land. Payment for these services was $2,700 (2008: $8,150). David Hobart is a non-executive director of LandMark White Limited. Ian Bangs provided services on behalf of the Company to LandMark White Limited. During the financial year the Company received $40,560 from LandMark White for the services provided by Ian Bangs. In January 2009, Ian Bangs became an employee of LandMark White Limited.

(f) Share holdings

The numbers of shares in the company held at balance date by each director and executives of IFC Capital Limited, including their personally-related entities, are set out below:

2009 Name of Directors of IFC Capital Limited	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at the end of the year**
Alan S Jones	4,690,000	-	-	**4,690,000**
John M Langley	85,000	-	-	**85,000**
David P Hobart	31,800	-	-	**31,800**
Peggy P C Yeoh	59,150	-	-	**59,150**
Other key management personnel				
Ian E Bangs	14,000	-	-	**14,000**
Angus F Hislop	40,000	-	158,868	**198,868**

2008 Name of Directors of IFC Capital Limited	**Balance at the start of the year**	**Received during the year on the exercise of options**	**Other changes during the year**	**Balance at the end of the year**
Alan S Jones	4,690,000	-	-	**4,690,000**
John M Langley	70,000	-	15,000	**85,000**
David P Hobart	30,800	-	1,000	**31,800**
Peggy P C Yeoh	59,150	-	-	**59,150**
Other key management personnel				
Ian E Bangs	14,000	-	-	**14,000**
Angus F Hislop	40,000	-	-	**40,000**

The numbers of listed options in the company held at balance date by each director and executives of IFC Capital Limited, including their personally-related entities, are set out below:

Name of Directors of IFC Capital Limited	**Balance at the start of the year**	**Received during the year**	**Options that lapsed on 30 September 2008**	**Balance at the end of the year**
Alan S Jones	500,000	-	(500,000)	**-**
John M Langley	10,000	-	(10,000)	**-**
David P Hobart	4,400	-	(4,400)	**-**
Peggy P C Yeoh	8,450	-	(8,450)	**-**
Other key management personnel				
Ian E Bangs	2,000	-	(2,000)	**-**
Angus F Hislop	20,000	-	(20,000)	**-**

Refer to pages 9 & 10 of the Directors' Report for more details.

Share-based payments

At the Annual General Meeting of shareholders of the Company held on 8 November 2005, shareholders approved and adopted the Employee Share Option Plan ("ESOP") and the Non-Executive Directors' Share Option Plan ("NEDOP") and approved the issue of Options under the terms of ESOP and the terms of NEDOP. The following options over unissued ordinary shares have been issued to the Directors or the highest remunerated executives of the Company and the consolidated entity on the 21 December 2007.

Options vested on the grant date and the fair value of the options were expensed through the income statement. Options are granted under the plan for no consideration.

Options granted under the plan carry no dividend or voting rights.

When exercisable, each option is convertible into one ordinary share fourteen days after the release of the half-yearly and annual financial results of the Group to the market.

The exercise price of the options granted during the year ended 30 June 2008 was $0.35.

Set out below are summaries of options granted under the plan. As a result of the employees being terminated during the year, share options expired.

Grant Date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
Consolidated and parent entity - 2009								
21 December 2007	21 December 2009	$0.35	1,300,000	-	-	(1,300,000)	-	-
21 December 2006	21 December 2008	$0.80	1,200,000	-	-	(1,200,000)	-	-
				-	-		-	-
Total			2,500,000	-	-	(2,500,000)	-	-
Weighted average exercise price			$0.566	-	-	$0.566	-	-
Consolidated and parent entity - 2008								
21 December 2007	21 December 2009	$0.35	-	1,300,000	-	-	1,300,000	1,300,000
21 December 2006	21 December 2008	$0.80	1,200,000	-	-	-	1,200,000	1,200,000
						-	-	-
Total			1,200,000	1,300,000	-	-	2,500,000	2,500,000
Weighted average exercise price			$0.80	$0.35	-	-	$0.566	$0.566

Fair value of options granted

The fair value at grant date is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non tradeable nature of the option, the share price at grant date, and the expected share price volatility of the underlying share, the expected dividend yield, and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2008 included:

(a) options are granted for no consideration and immediately vest on the grant date.

(b) exercise price: $0.35

(c) grant date: 21 December 2007

(d) expiry date: 21 December 2009

(e) share price at grant date: $0.275

(f) expected price volatility of the company's shares: 60% (2007: 60%)

(g) expected dividend yield: 0% (2007: 0%)

(h) risk-free interest rate: 6.59% (2007: 5.34%)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

	Consolidated		Parent Entity	
	2009	2008	2009	2008
	$	$	$	$
22. REMUNERATION OF AUDITORS				
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:				
Auditor of the parent entity – PricewaterhouseCoopers Australian firm	132,500	86,000	64,000	86,000
Remuneration for other services (due diligence):				
Auditor of the parent entity – PricewaterhouseCoopers Australian firm	-	-	-	-
Remuneration for other services (income tax compliance and due diligence):				
Auditor of the parent entity – PricewaterhouseCoopers Australian firm	21,800	47,250	21,800	47,250
	154,300	133,250	85,800	133,250

23. CONTINGENT LIABILITIES

The Company has no material contingent liabilities.

24. COMMITMENTS FOR EXPENDITURE

	Consolidated		Parent entity	
	2009 $	2008 $	2009 $	2008 $
RENTAL LEASE COMMITMENTS				
Future rental lease commitments contracted for at balance date but not provided for in the financial statements:				
- Payable no later than one year	8,340	75,031	8,340	75,031
- Payable later than 1 year but not later than 5 years	-	112,864	-	112,864
Total operating lease liability	8,340	187,895	8,340	187,895
Representing cancellable operating lease	8,340	187,895	8,340	187,895

The lease on the premises at 2 Bligh Street was cancelled effective 31 July 2009. The lease is on a monthly basis.

25. RELATED PARTY INFORMATION

Details of directors related party information is provided in the Directors' Report on page 10 & Note 21.

Remuneration and retirement benefits

Details of directors' remuneration are set out in the Directors' Report and in Note 21 – Key Management Personnel. The Company does not pay directors' retirement benefits other than the Company's superannuation contribution for the SGL.

Directors' holding of shares and options

The aggregate number of shares and options held by directors of the Company or the consolidated entity or their director-related entities at balance date were:

	Number of securities at 30 June 2009	Number of securities at 30 June 2008
Ordinary shares	4,806,800	4,865,950
Listed options over ordinary shares	-	522,850
Unlisted options over ordinary shares	-	2,500,000

No options were exercised by the directors during the financial year.

Transactions with related parties

	Parent entity	
	2009 $	2008 $
Management fee charged to subsidiary company	125,000	300,000
Loans to related parties	5,816,939	9,289,913
	5,941,939	9,589,913

26. RECONCILIATION OF LOSS FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Consolidated		Parent entity	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Loss from ordinary activities after income tax	(6,065,216)	(1,341,082)	(5,648,350)	(1,154,614)
Depreciation and amortisation	26,137	27,253	26,137	27,253
Assets written off	56,685		56,685	
Loss on sale of property, plant & equipment	-	3,509	-	3,509
Net impairment of land & investment	3,500,000	99,061	4,864,391	244,757
Interest capitalised		(883,583)		
CHANGES IN ASSETS AND LIABILITIES				
Increase/decrease in receivables	72,662	25,188	(106,235)	18,084
Increase/decrease in trade and other creditors	53,400	(583,655)	77,084	(96,306)
Increase/decrease in provision for employee benefits	(61,211)	27,379	(61,211)	27,379
Increase/decrease in share option reserve	-	62,400	-	62,400
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(2,417,543)**	**(2,563,530)**	**(791,499)**	**(867,538)**

27. EVENTS OCCURRING AFTER BALANCE DATE

On 11 August 2009 the Company settled on the sale of the Land at Cranebrook (Lot 2 in DP 1057347) for $17,500,000 (exclusive of GST). The land was sold to the Minister Administering the National Parks and Wildlife Act 1974 (NSW). The Company repaid all loan facilities totalling $11,550,000 to the Bank of Western Australia.

28. EARNINGS PER SHARE

	Consolidated	
	2009	**2008**
Basic earnings per share for loss from continuing operations	($0.0224)	($0.0020)
Basic earnings per share for loss from discontinuing operations	($0.0866)	($0.0298)
Basic earnings per share	**($0.1090)**	**($0.0318)**
Diluted earnings per share for loss from continuing operations	($0.0224)	($0.0020)
Diluted earnings per share for loss from discontinuing operations	($0.0866)	($0.0298)
Diluted earnings per share	**($0.1090)**	**($0.0318)**

Weighted average number of shares used as the denominator

	2009	2008
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and alternative basic earnings per share	55,645,693	42,166,448
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share and alternative diluted earnings per share	55,645,693	42,166,448

Reconciliations of earnings used in calculating earnings per share

Basic and diluted earnings per share		
Loss attributable to the ordinary equity holders of the company:		
from continuing operations	(1,248,206)	(1,258,666)
from discontinuing operations	(4,817,010)	(82,416)
Earnings used in calculating basic and diluted earnings per share	**(6,065,216)**	**(1,341,082)**

Options are considered to be potential ordinary shares. The options are not included in the calculation of diluted earnings per share because they are anti-dilutive. These options could potentially dilute basic earnings per share in the future. Details relating to the options are set out in note 21.

In the directors' opinion:

(a) the financial statements and notes set out on pages 20 to 47 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance, as represented by the results of their operations and their cash flows, for the financial 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.

The directors have been given the declarations by the Managing Director and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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

Alan S Jones
Chairman

Sydney
31 August 2009

David P Hobart
Managing Director

Sydney
31 August 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the members of IFC Capital Limited

Report on the financial report

We have audited the accompanying financial report of IFC Capital Limited (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and statement of cash flow for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both IFC Capital Limited and the IFC Capital Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*.This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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. These Auditing 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 judgement, 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.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of IFC Capital Limited (continued)

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

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 IFC Capital Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 10 of the directors' report for the year ended 30 June 2009. 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 IFC Capital Limited for the year ended 30 June 2009 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

S.T. Maher

Shannon Maher
Partner

Sydney
31 August 2009

The following information is provided but does not form part of the audited financial accounts.

1. AUDIT COMMITTEE

For details concerning the Audit Committee refer to the Corporate Governance Statement on pages 14 to 19.

2. CORPORATE GOVERNANCE

Refer to statement on pages 14 to 19.

3. SUBSTANTIAL SHAREHOLDERS

The following substantial shareholders have been noted from relevant disclosures lodged with the Company.

Name of Shareholder	Number of shares held	Percentage of issued shares
Sun Hung Kai Investment Services Ltd (Clients a/c)	20,258,610	32.50%
Sun Hung Kai Investment Services Ltd (Client Katong Assets Limited a/c)	9,254,551	14.85%
Mr Alan Jones	4,690,000	7.52%
Mr Colin Sim & Mrs Dale Merran Sim (SSK Investments S/Fund a/c)	4,567,687	7.33%
Citicorp Nominees Pty Limited	3,788,252	6.08%
Sun Hung Kai Investment Services Ltd (client Honesty Opportunity Ltd a/c)	3,133,940	5.03%
	45,693,040	73.31%

4. NUMBER OF SHAREHOLDERS AND OPTION HOLDERS

Shares:

There were 699 shareholders holding a total of 62,339,773 fully paid ordinary shares.

Options:

There were no listed or employee options on issue.

5. VOTING RIGHTS

The relevant conditions about voting rights attaching to each share are set out in Article 9.19 of the Constitution:

"9.19 ***Entitlement to Vote***
Subject to any rights or restrictions for the time being attached to any class or classes of shares and to this constitution:
a) on a show of hands, each Member present in person and each other person present as a proxy, attorney or Representative of a Member has one vote; and
b) on a poll, each Member present in person has one vote for each fully paid share held by the Member and each person present as proxy, attorney or Representative of a Member has one vote for each fully paid share held by the Member that the person represents.
A Member is not entitled to vote at a general meeting in respect of shares which are the subject of a current Restriction Agreement for so long as any breach of that agreement subsists."

6. DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of shareholders by size of holding:

Fully paid shares Range	No. of Holders	No. of Shares
1 - 1,000	69	45,090
1,001 - 5,000	346	1,094,450
5,001 - 10,000	131	1,028,443
10,001 - 100,000	86	2,686,366
100,001 and over	37	57,485,424
	699	62,399,773

7. NON-MARKETABLE PARCELS

There were 548 holders (each holding less than 10,000 shares) of less than a marketable parcel of ordinary shares.

8. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of ordinary fully paid shares are set out below:

Name	No. of Ordinary Shares Held	Percentage of Issued Shares
Sun Hung Kai Investment Services Ltd -Clients a/c	20,258,610	32.50
Sun Hung Kai Investment Services Ltd - Katong Assets Ltd a/c	9,254,551	14.85
Mr Alan Jones	4,690,000	7.52
Mr Colin Sim & Mrs Dale Merran Sim (SSK Investments S/Fund a/c)	4,567,687	7.33
Citicorp Nominees Pty Limited - RIMC International Pty Ltd a/c	3,788,252	6.08
Sun Hung Kai Investment Services Ltd - Honesty Opportunity Ltd a/c	3,133,940	5.03
ANZ Nominees Limited (Cash Income Account)	2,148,361	3.45
Phoenix Properties International Pty Ltd	1,578,952	2.09
Mr Poh Chim Yeap	700,000	1.12
Altenburg Pty Ltd	689,656	1.11
Millbrook International Corp	666,666	1.07
Lochmede Pty Ltd (B Harrington Investment a/c)	629,587	1.01
McNeil Nominees Pty Limited	482,250	0.77
Redsummer Pty Ltd	442,000	0.71
John Gauches East	426,440	0.68
Bond Street Custodians Limited	317,399	0.51
Newmek Investments Pty Limited	300,000	0.48
Berne No 132 Nominees Pty Ltd (323731 Account)	285,600	0.46
Tonda Pty Ltd	271,977	0.44
Tonda Pty Ltd (Super fund a/c)	264,986	0.43
	54,896,914	87.64

The top 20 shareholders held 87.64% of the issued fully paid ordinary shares.

10. RESTRICTED SECURITIES

The Company had the following restricted securities on issue:

Ordinary shares

There are no ordinary shares held in escrow.

Options

There are no options held in escrow.

11. COMPANY SECRETARY

Ian E Bangs FCPA

12. REGISTERED OFFICE

Suite 3 Level 12
2 Bligh Street
Sydney NSW 2000
Telephone: (02) 9994 0240

13. ADMINISTRATION OFFICE

Suite 3 Level 12
2 Bligh Street
Sydney NSW 2000

Telephone:	(02) 9994 0240
Facsimile:	(02) 9993 0767
E-mail:	info@ifccapital.com.au

14. SHARE REGISTRAR

Computershare Investor Services Pty Ltd
Level 3
60 Carrington Street
Sydney NSW 1115

Postal Address

GPO Box 7045
Sydney NSW 1115

Telephone:	(02) 8234 5000
Facsimile:	(02) 8234 5050

15. STOCK EXCHANGE QUOTATION

The Company's shares are quoted only on the Australian Stock Exchange (code "IFC"). The home exchange is Sydney.