



IRONBARK CAPITAL

ABN 89 008 108 227

IRONBARK CAPITAL LIMITED

APPENDIX 4D

FOR THE HALF-YEAR ENDED

31 DECEMBER 2017

Contents

	Page
Results for Announcement to the Market	2
Chairman's Commentary	3
Investment Manager Report	4
Appendix 4D - Financial Statements	9
Independent Auditor's Review	21

The documents comprise the information required under Listing Rule 4.2A and should be read in conjunction with the Annual Report as at 30 June 2017.

RESULTS FOR ANNOUNCEMENT TO THE MARKET HALF-YEAR ENDED 31 DECEMBER 2017

The previous corresponding period is the half-year ended 31 December 2016. The Half-Year Financial Report has been subject to review by the Company's auditors.

- Net profit after tax for the half-year was \$1.88 million, down 51.3% from the \$3.86 million profit in the previous corresponding period.
- Investment revenue from ordinary activities, which includes unrealised gains was \$2.55 million, 50.8% down from the \$5.18 million in the previous corresponding period.
- NTA before provision for tax on unrealised losses was \$0.537, compared to \$0.540 from the previous period.
- NTA after provision for tax on unrealised losses was \$0.544, compared to \$0.551 from the previous period.
- The interim dividends paid and payable in this financial year were 1.85 cents per share, fully franked. This includes 0.75 cents per share paid 20 September 2017, and a further 1.1 cents per share fully franked dividend which has been declared since the period end for ordinary shareholders on the register as at 16 February 2018. This is payable on 5 March 2018.
- The previous corresponding period was 1.95 cents per share fully franked and a further dividend of 1.05 cents per share fully franked was paid on 20 March 2017.
- The Dividend Reinvestment Plan remains suspended.
- It is the Directors' policy to only pay fully franked dividends and to distribute the majority of franking credits received each year, subject to the availability of profits. Franking credits are generated by receiving fully franked dividends from shares held in the Company's investment portfolio, and from the payment of corporate tax on its other investment income, namely share option premiums, unfranked income and net realised gains.

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

Investment Performance

For the latest half-year the portfolio returned 4.4% inclusive of franking credits outperforming the portfolio benchmark (1 year swap + 6%p.a.) which returned 3.9% for the half-year. This short term performance is representative of the current market and lower volatility.

In the year to 31 December 2017, the portfolio returned 6.5%p.a. against a benchmark return of 7.8%p.a.

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

Results for the Half-Year

The positive performance of the portfolio contributed to the \$1.88m profit after tax for the half-year, down on the previous corresponding half-year. Income from the trading portfolio was \$2.55m, down on the corresponding period's result. The unrealised gains achieved in the 31 December 2017 half year were relatively less than the strong gains in the half year to 31 December 2016.

The MER of 0.83% was in line with the MER of the corresponding period of 0.82% on an annualised basis.

The profit results and accumulated franking credits allowed Ironbark to declare a fully franked dividend in August 2017. Since the end of the half-year, the Directors have declared a further fully franked dividend of 1.1 cents per share to be paid on 5 March 2018 franked at 27.5% consistent with the new government policy.

Dividend Outlook

Ironbark will continue to pay fully franked dividends as company profits create the opportunity to do so. The capacity to pay fully franked dividends will continue to depend on the accumulation of franking credits and income generation.

Ironbark Outlook

As at 31 December 2017, the share price has continued to close and was trading at a 3.2% discount to NTA pre-tax.

The Directors have a policy of every three years offering Shareholders the opportunity to obtain the full value of their shares. On this basis, it is anticipated that the next Tender Offer would be during the second half of calendar 2018.

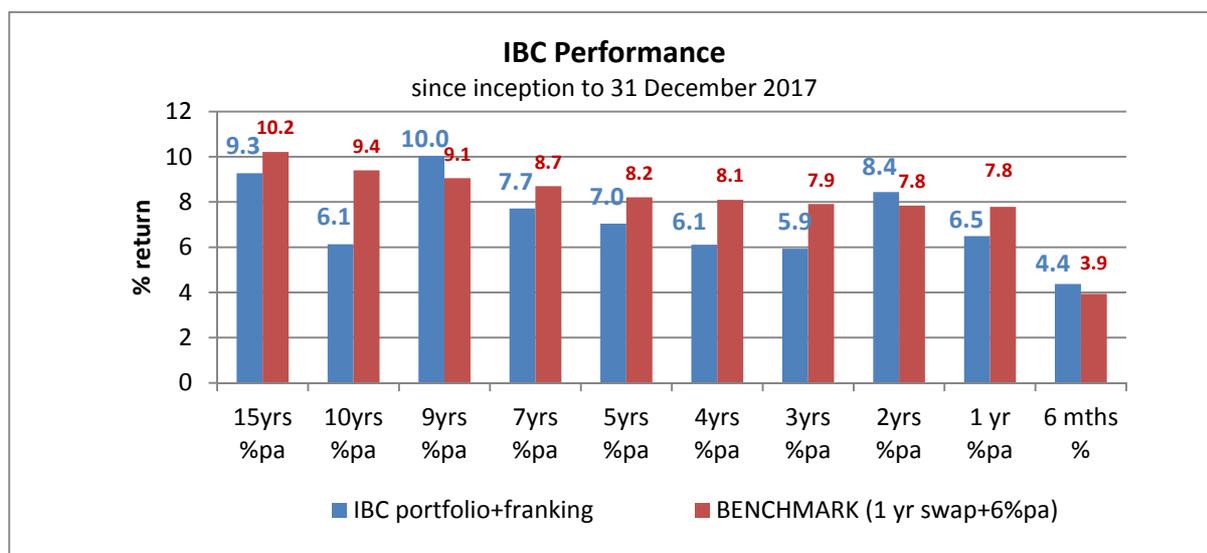
Ironbark continues to be relevant for the investor seeking a low volatility, absolute return and fully franked dividend focused investment portfolio offered in a LIC structure.

Michael J Cole
Chairman

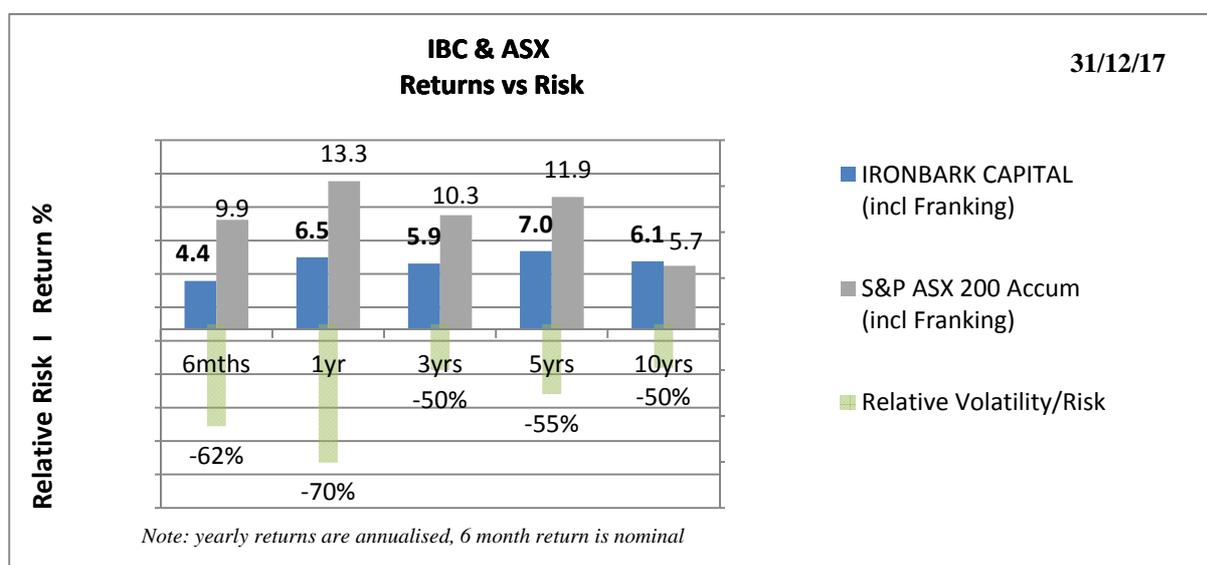
Half-Year Performance

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

IBC recorded a portfolio return of 4.4% over the 6 months to 31 December 2017 outperforming its benchmark return of 3.9%. Since inception, over 15 years including two years of the disastrous GFC, the portfolio achieved a return of 9.3%pa with risk measuring approximately 50% of equity market risk.



IBC's focus on income generation and capital preservation from a balanced portfolio structure has delivered superior risk adjusted returns compared to the equity market. Over the 10 year period the portfolio's return of 6.1%pa exceeded the ASX200 Accumulation Index return of 5.7%pa (inclusive of franking credits) with 50% less risk. IBC's half year return of 4.4% was achieved with 62% less risk compared to the equity market, measured in terms of volatility.



Portfolio

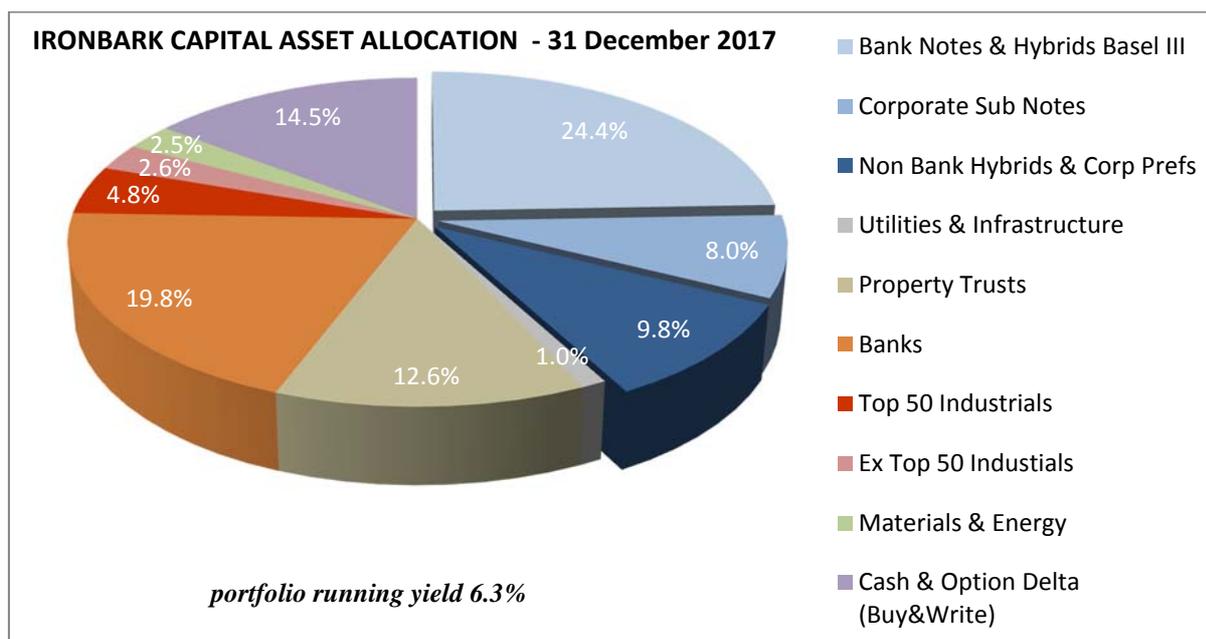
The portfolio is structured with an emphasis on income through yield orientated securities (hybrids and corporate bonds, utilities, property trusts) and buy & write positions in Banks, BHP, Telstra and other leading companies. The portfolio’s running yield was 6.3% inclusive of franking credits.

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

The portfolio is diversified across 38 different entities. Higher risk exposures in banks, industrials and resources are largely held through buy & write option positions for income enhancement or added protection. The portfolio’s hybrid and corporate bond holdings are floating rate securities with little duration risk.

Approximately 42% of the portfolio was held in hybrids and corporate bonds and 27% in buy & writes in Banks, Telstra and BHP. The balance is represented by: 12.6% in property trusts, 2.6% in mid-cap and small companies, 1.0% in utilities and 14.5% held in cash & option delta.

Asset allocation reflects a cautious stance.



Portfolio Performance half-year to 31 December 2017

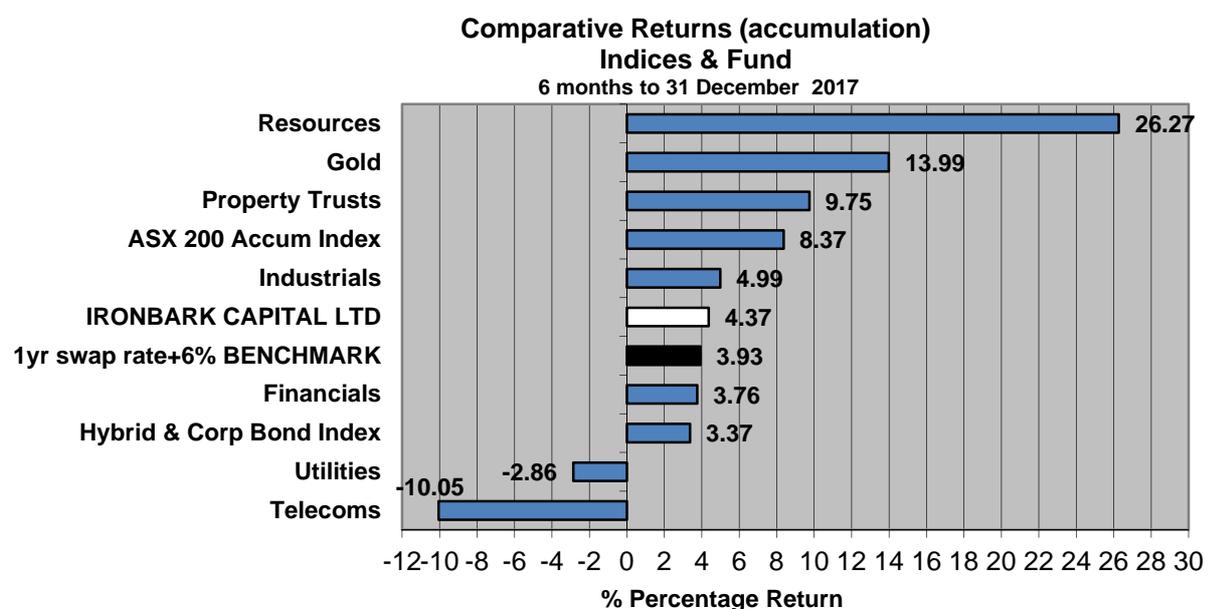
The portfolio produced a good return of 4.4% for the half year period with very low volatility of 2%. Both corporate credit and equity markets performed well. The ASX listed Hybrid and Corporate Bond Index advanced 3.4% (inclusive of franking credits) and the share market rallied 8.6% led by resources.

Corporate credit conditions continued to be favourable. Corporate debt redemptions and the scarcity of new hybrid issuance above replacement maturities have tightened the market. Investment demand remains healthy with the appeal of floating rate structures for capital stability and higher yields for return. The portfolio holds no fixed rate securities that carry more capital risk in a rising interest rate environment. Both Westpac (recently) and ANZ have now successfully raised tier 1 hybrid capital in offshore markets further tightening domestic supply. The announcement of a banking royal commission had little impact on bank hybrid margins. APRA confirmed the level for unquestionably strong capital ratios at 10.5% leaving a more modest \$9bn to be raised by the major banks over the next few years. The portfolio weighting to corporate credit increased by 3% to 42% through investment in primary issuance of new corporate sub debt and hybrid securities.

Buy & writes produced a mixed result. Telstra fell -12% after cutting its dividend to sustainable levels but option cover only provided limited protection. Losses in Telstra offset gains in the banks and BHP. The contribution from BHP's strong rally of 29% was capped under option writing.

The exposure to utilities of 1% was represented by Spark Infrastructure that declined -1.3%. Higher bond yields negatively impacted its valuation. Property trusts were increased 3% to 12.6% mainly through participation in capital raisings and contributed positively to returns.

Cash exposure (including option delta) was reduced from 20.3% to 14.5% over the period.



Portfolio Shareholdings at 31 December 2017

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
Banks				
ANZ	ANZ Banking Group Limited	3,161	4.3	4.3
CBA	Commonwealth Bank of Australia Limited	6,467	8.8	5.4
CYB	CYBG PLC	101	0.1	0.1
NAB	National Australia Bank Limited	2,462	3.4	3.3
WBC	Westpac Banking Corporation Limited	6,312	8.6	6.6
		18,503	25.2	19.7
Hybrids & Corporate Bonds				
AGLHA	AGL Energy Limited - Subordinated Notes	830	1.1	1.1
AMP011227	AMP Limited - Subordinated Notes (Unlisted)	504	0.7	0.7
AMPPA	AMP Limited - Capital Notes	329	0.4	0.4
ANZPG	ANZ Banking Group Limited - Capital Notes	751	1.0	1.0
AQHHA	APA Group - Subordinated Notes	1,003	1.4	1.4
BENPE/PG	Bendigo & Adelaide Bank Limited - Capital Notes	1,472	2.0	2.0
BOQPE	Bank of Queensland Limited - Capital Notes	2,343	3.2	3.2
CBAPC/PD	Commonwealth Bank of Australia Perls VI & VII	2,844	3.9	3.9
CGFPB	Challenger Limited - Capital Notes	532	0.7	0.7
CWNHA/HB	Crown Limited - Subordinated Notes	1,607	2.2	2.2
IAGPD	Insurance Australia Group Limited - Capital Notes	2,692	3.7	3.7
IANG	Insurance Australia Group Limited - Perpetual Reset Exchangeable Notes	2,600	3.5	3.5
MEB091120	Members Equity Bank Limited - Floating Rate Senior Notes (Unlisted)	503	0.7	0.7
MEB281120	Members Equity Bank Limited - Capital Notes (Unlisted)	512	0.7	0.7
MQGPB	Macquarie Group Limited - Capital Notes	660	0.9	0.9
NABHA	National Australia Bank Limited Income Securities	432	0.6	0.6
NABPA/PD	National Australia Bank Limited - Capital Notes	2,994	4.1	4.1
QUBHA	Qube Holdings Limited - Subordinated Notes	1,942	2.6	2.6
RHCPA	Ramsay Healthcare Limited - Perpetual Preference Securities	620	0.9	0.9
SUNPF/PG	Suncorp Group Limited - Capital Notes	3,362	4.6	4.6
SVWPA	Seven Group Holdings Limited - Perpetual Preference Securities	381	0.5	0.5
WBCPG	Westpac Banking Group Corporation Limited - Capital Notes	2,045	2.8	2.8
		30,958	42.2	42.2
Large industrial				
TLS	Telstra Corporation Limited	4,132	5.6	4.8
		4,132	5.6	4.8
Materials & Energy				
BHP	BHP Billiton Limited	5,599	7.6	2.4
BLD	Boral Limited	54	0.1	0.1
KPT	Kangaroo Island Plantation Timbers Limited	60	0.1	0.1
		5,713	7.8	2.6

*Includes market value of options written against holdings

**Includes option delta written against holdings

Portfolio Shareholdings at 31 December 2017 (continued)

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
	Property Trusts			
CHC	Charter Hall Group Limited	289	0.4	0.4
CIP	Centuria Industrial REIT	216	0.3	0.3
CLW	Charter Hall Long WALE REIT	3,001	4.1	4.1
CMA	Centuria Metropolitan REIT	49	0.1	0.1
CRR	Convenience Retail REIT	175	0.2	0.2
FLK	Folkestone Limited	701	1.0	1.0
GOZ	Growthpoint Properties	423	0.6	0.6
IOF	Investa Office Fund	560	0.8	0.8
VVR	VIVA Energy REIT	3,833	5.2	5.2
		9,247	12.7	12.7
	Small Industrial			
BUB	Bubs Australia Limited	15	-	-
ING	Inghams Group Limited	51	0.1	0.1
RWC	Reliance Worldwide Corporation Limited	47	0.1	0.1
SCO	Scottish Pacific Group Limited	103	0.1	0.1
SDF	Steadfast Group Limited	1,690	2.3	2.3
		1,906	2.6	2.6
	Utilities & Infrastructure			
SKI	Spark Infrastructure Group	744	1.0	1.0
		744	1.0	1.0
	Cash	2,146	2.9	14.4
		73,349	100.0	100.0

*Includes market value of options written against holdings

**Includes option delta written against holdings

Ironbark Capital Limited
ABN 89 008 108 227

Financial Report
For the half-year ended 31 December 2017

Directors	Michael J Cole B Ec, M Ec (Syd), F Fin Ross J Finley B Comm (NSW) Ian J Hunter BA LLB (Syd), MBA (MGSM)
Company Secretary	Jill Brewster MBA (MGSM), AGIA, ACIS, FIPA, FFA
Principal Registered Office	Level 27 45 Clarence Street Sydney NSW 2000 Telephone: (02) 8917 0399
Share Registrar	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Shareholder enquiries telephone: (02) 9290 9600
Investment Manager	Kaplan Funds Management Pty Limited Level 27 45 Clarence Street Sydney NSW 2000 Telephone: (02) 8917 0300
Accounting & Administration	Kaplan Funds Management Pty Limited Level 27 45 Clarence Street Sydney NSW 2000 Telephone: (02) 8917 0399 Fax: (02) 8917 0355
Auditors	MNSA Pty Ltd Level 1 283 George Street Sydney NSW 2000
Website	www.ironbarkcapital.com
Company Secretarial & all other enquiries	Telephone: (02) 8917 0399 Email: enquiries@ironbarkcapital.com
Stock Exchange	Australian Securities Exchange ASX code: IBC

Directors' Report

Your Directors present their report on the Company for the half-year ended 31 December 2017.

Directors

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

Michael J Cole, Chairman
Ross J Finley
Ian J Hunter

Review of Operations

The profit from ordinary activities after income tax for the half-year to 31 December 2017 was \$1,882,000 (2016: \$3,865,000). Although revenue increased 13% on the previous corresponding period, the unrealised gains achieved in the 31 December 2017 half year were relatively less than the strong gains in the half year to 31 December 2016. The net gains were \$0.6m compared to \$3.5m in the corresponding period.

The interim dividends paid and payable in this financial year were 1.85 cents per share, fully franked. This includes 0.75 cents per share paid 20 September 2017, and a further 1.1 cents per share fully franked dividend which has been declared since the period end for ordinary shareholders on the register as at 16 February 2018. This is payable on 5 March 2018.

Rounding of amounts

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

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



Michael J Cole
Director

Sydney
8th February 2018



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017 there have been no contraventions of:

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

MNSA Pty Ltd

Sam Danieli
Director

Sydney
Dated this 8th day of February 2018

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Profit or Loss and Other
Comprehensive Income
For the half-year ended 31 December 2017

	Notes	Half-year ended	
		31 December 2017 \$'000	31 December 2016 \$'000
Investment income from trading portfolio			
Revenue	3	1,929	1,707
Net gains on trading portfolio		622	3,474
Total investment income from trading portfolio		2,551	5,181
Expenses			
Management fees		(150)	(139)
Brokerage expense		(12)	(6)
Accounting fees		(22)	(21)
Share registry fees		(16)	(17)
Custody fees		(13)	(14)
Tax fees		(5)	(4)
Directors' liability insurance		(9)	(9)
Directors' fees		(33)	(33)
ASX fees		(25)	(23)
Audit fees		(14)	(10)
Option fees		(8)	(15)
Other expenses		(26)	(16)
Total expenses		(333)	(307)
Profit before income tax		2,218	4,874
Income tax expense		(336)	(1,009)
Net profit for the period		1,882	3,865
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		1,882	3,865
		Cents	Cents
Basic and diluted earnings per share	6	1.37	3.07

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

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Financial Position
As at 31 December 2017

	Notes	31 December 2017 \$'000	30 June 2017 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		2,146	6,565
Trade and other receivables		179	456
Trading portfolio		71,203	65,226
Current tax assets		121	102
Other assets		31	3
Total current assets		73,680	72,352
Non- current assets			
Deferred tax assets		1,276	1,722
Total non-current assets		1,276	1,722
Total assets		74,956	74,074
LIABILITIES			
Current liabilities			
Trade and other payables		157	114
Total current liabilities		157	114
Non-current liabilities			
Deferred tax liabilities		12	7
Total non-current liabilities		12	7
Total liabilities		169	121
Net assets		74,787	73,953
Equity			
Issued capital	7	74,644	74,663
Profit reserve		1,639	786
Accumulated losses		(1,496)	(1,496)
Total equity		74,787	73,953

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

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Changes in Equity
For the half-year ended 31 December 2017

	Notes	Issued capital \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2017		74,663	786	(1,496)	73,953
Profit for the period		-	-	1,882	1,882
Transfer to profit reserve		-	1,882	(1,882)	-
Total comprehensive income for the period		74,663	2,668	(1,496)	75,835
Transactions with owners in their capacity as owners:					
Transaction costs on contributions of equity		(19)			(19)
Dividends paid	5	-	(1,029)	-	(1,029)
Balance at 31 December 2017		74,644	1,639	(1,496)	74,787
Balance at 1 July 2016		69,537	5	(1,496)	68,046
Profit for the period		-	-	3,865	3,865
Transfer to profit reserve		-	3,865	(3,865)	-
Total comprehensive income for the period		69,537	3,870	(1,496)	71,911
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	5	-	(2,454)	-	(2,454)
Balance at 31 December 2016		69,537	1,416	(1,496)	69,457

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

Ironbark Capital Limited
ABN 89 008 108 227
Statement of Cash Flows
For the half-year ended 31 December 2017

	Notes	Half-year ended	
		31 December 2017 \$'000	31 December 2016 \$'000
Cash flows from operating activities			
Interest received		257	248
Proceeds from sale of trading portfolio		4,400	12,090
Purchase of trading portfolio		(9,668)	(14,371)
Dividends & trust distributions received		1,922	1,764
Other income received		26	43
Management fees paid		(148)	(137)
Other expenses paid		(257)	(215)
Tax refund received		102	(200)
Net cash outflow from operating activities		(3,366)	(778)
Cash flows from financing activities			
Dividends paid to shareholders	5	(1,029)	(1,196)
Transaction costs paid for rights issue		(24)	-
Net cash outflow from financing activities		(1,053)	(1,196)
Net decrease in cash and cash equivalents		(4,419)	(1,974)
Cash and cash equivalents at beginning of period		6,565	4,875
Cash and cash equivalents at the end of period		2,146	2,901

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

1. Basis of preparation of half-year report

This general purpose interim financial report for the half-year ended 31 December 2017 has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Ironbark Capital Limited. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2017, together with any public announcements made during the following half-year. The accounting policies adopted are consistent with those of the previous financial year end and corresponding interim reporting period.

This interim financial report was authorised for issue on 8th February 2018.

2. Segment information

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

3. Revenue

	Half-year ended	
	31 December 2017 \$'000	31 December 2016 \$'000
Dividends	1,372	1,310
Interest	278	256
Distributions	253	98
Other income	26	43
	1,929	1,707

4. Fair value measurements

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

- Financial assets at fair value through profit or loss

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

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

4. Fair value measurements (continued)

The following table presents the Company's financial assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 31 December 2017:

31 December 2017

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	69,684	1,519	-	71,203
Total	69,684	1,519	-	71,203

30 June 2017

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
Trading portfolio	65,226	-	-	65,226
Total	65,226	-	-	65,226

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

5. Dividends

(a) Ordinary Shares

	Half-year ended	
	31 December 2017 \$'000	31 December 2016 \$'000
Dividends provided for or paid during the half-year	1,029	2,454

Since the end of the half-year, the Directors have declared a fully franked dividend of 1.1 cents per share to be paid on 5 March 2018. The aggregate amount of \$1,510 million has not been recognised as a liability at the end of the period.

(b) Dividend rate

Dividends provided for or paid and fully franked at 27.5% tax rate (2017: 30%).

	Record Date	Dividend Rate	Total Amount \$'000	Date of Payment	% Franked
2018					
Ordinary shares – Interim	31/08/2017	0.75cps	\$1,029	20/09/2017	100
2017					
Ordinary shares - Interim	15/12/2016	1.0cps	\$1,258	16/01/2017	100
Ordinary shares – Interim	17/08/2016	0.95cps	\$1,196	31/08/2016	100

6. Earnings per share

(a) Basic and diluted earnings per share

	Half-year ended	
	31 December 2017	31 December 2016
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	1.37	3.07

(b) Weighted average number of shares used as denominator

	Half-year ended	
	31 December 2017	31 December 2016
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	137,258,651	125,820,582

7. Issued capital

	31 December 2017 Shares	30 June 2017 Shares	31 December 2017 \$'000	30 June 2017 \$'000
Ordinary shares - fully paid	137,258,651	137,258,651	74,644	74,663

8. Contingencies

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

The Company had no other contingent liabilities at 31 December 2017 (2016: nil).

9. Events occurring after the reporting period

Other than the declaration of a fully franked dividend of 1.1 cents per share, as outlined in note 5, no other matter or circumstance has occurred subsequent to the period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company or economic entity in subsequent financial years.

In the Directors' opinion:

- (a) the Interim Financial Statements and notes set out on pages 13 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and
 - (ii) giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael J Cole
Director

Sydney
8th February 2018



IRONBARK CAPITAL LIMITED
ABN 89 008 108 227

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Ironbark Capital Limited, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ironbark Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



Independence

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

Conclusion

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

- (i) giving a true and fair view of Ironbark Capital Limited's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MNSA Pty Ltd

Sam Danieli
Director

Sydney
Dated this 8th day of February 2018