



**IRONBARK** CAPITAL

ABN 89 008 108 227

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IRONBARK CAPITAL LIMITED

APPENDIX 4D

FOR THE HALF-YEAR ENDED

31 DECEMBER 2021

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*The documents comprise the information required under Listing Rule 4.2A and should be read in conjunction with the Annual Report as at 30 June 2021.*

IRONBARK CAPITAL LIMITED  
HALF-YEAR ENDED 31 DECEMBER 2021

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**Appendix 4D – Half Year Report**

**Results for Announcement to the Market**

**The previous corresponding period is the half-year ended 31 December 2020. The Half-Year Financial Report has been subject to review by the Company's auditors.**

- Net profit after tax for the half-year was \$2.04 million, down 43.6% from the \$3.62 million profit in the previous corresponding period.
- Investment revenue from ordinary activities, which includes net realised gains and net unrealised losses was \$2.85 million, 42.6% down from the \$4.95 million in the previous corresponding period. This includes dividends, distributions and interest which was up 34.1% on the previous corresponding period.
- NTA per share before provision for tax on unrealised gains was \$0.559, up 5.3% compared to \$0.531 from the previous period. The NTA is after payment of fully franked dividends of 2.25 cents per share since the previous corresponding period.
- NTA per share after provision for tax on unrealised gains was \$0.549, up 4.0% compared to \$0.528 from the previous period. The NTA is after payment of fully franked dividends of 2.25 cents per share since the previous corresponding period.
- The final fully franked dividend for the 2021 financial year was 1.25 cents per share which was paid on 29 September 2021.
- The interim dividend payable in this financial year is 1 cent per share, fully franked. This has been declared since the period end for ordinary shareholders on the register as at 4 March 2022. This is payable on 31 March 2022.
- The interim dividend for the corresponding period was 1 cent per share fully franked and was paid in March 2021.
- The Dividend Reinvestment Plan remains suspended.

## **Chairman's Commentary**

The December half year did not see a repeat of the very high unrealised gains of the previous corresponding period when share prices recovered to near pre-Covid levels. This is reflected in the Company's results which although down from the prior year was still a very positive result both financially and in performance.

### **Investment Performance**

For the half year to 31 December 2021, the portfolio returned 5.6% inclusive of franking credits, outperforming the Benchmark (1 year swap + 6%p.a.) by 2.5%. This was a very satisfactory result with performance achieved with a portfolio that has a lower volatility than the market. The performance over 1 year of 13.1% and 3 years of 9.4% inclusive of franking credits, exceeds their benchmark returns by 7.0% and 2.9% respectively, and has been achieved in times of economic uncertainty arising from the Covid - 19 pandemic.

The Investment Manager's report by Kaplan Funds Management (KFM) which follows the Chairman's Report, sets out in detail the investment experience in this FY22 half year.

### **Results for the Half Year**

The profit after tax of \$2.04 million was down from the high of \$3.62 million achieved in the previous corresponding year. Realised gains contributed \$1.77 million to the result mainly from takeover and sales in the infrastructure and property trust sector. Dividend income increased by 82.2% reflecting the improvement in dividend payouts particularly from the banks and BHP as the economy recovered from the pandemic downturn.

A performance fee of \$228,000 is accrued for the period based on the outperformance of the absolute return benchmark.

NTA per share before provision for tax on unrealised gains was \$0.559, up 5.3% compared to \$0.531 from the previous period.

Since the end of the half-year, the Directors have declared a fully franked dividend of 1 cent per share to be paid on 31 March 2022.

### **Capital Management**

Following approval at the Company's 2020 and 2021 Annual General Meetings, Ironbark implemented the on-market buy-back for a period of one month ending on 23 November 2021 for up to 30% of the shares on issue. The Buy-Back achieved its aim of narrowing the discount, as the share price rallied closer to the commencement date. This allowed shareholders to partially or fully exit their holdings at a share price nearer to NTA. Approximately 3.5% of shareholders representing 10.6% of issued capital (13 million shares) participated in the buy-back.

### **Board Changes**

Mr Ross Finley retired as a Director of the Board of the Company on 15 December 2021. The Board wishes to record its thanks to Ross for his valued service and significant contribution to the Company over 30 years. As part of the Board renewal process, we welcome Sam Kaplan to the Board with his extensive wealth of experience.

### **Dividend Outlook**

The substantial profits and the improvement in fully franked dividends from underlying investments allowed the Company to pay a final fully franked dividend for the 2021 financial year in September 2021. We expect to see this continue in FY22 with strong corporate earnings supporting dividend payouts.

As companies and government navigate the continuing disruptions and uncertainties from the COVID-19 pandemic, and inflationary pressures result in higher interest rates coming off an extremely low base, corporate earnings may be variable.

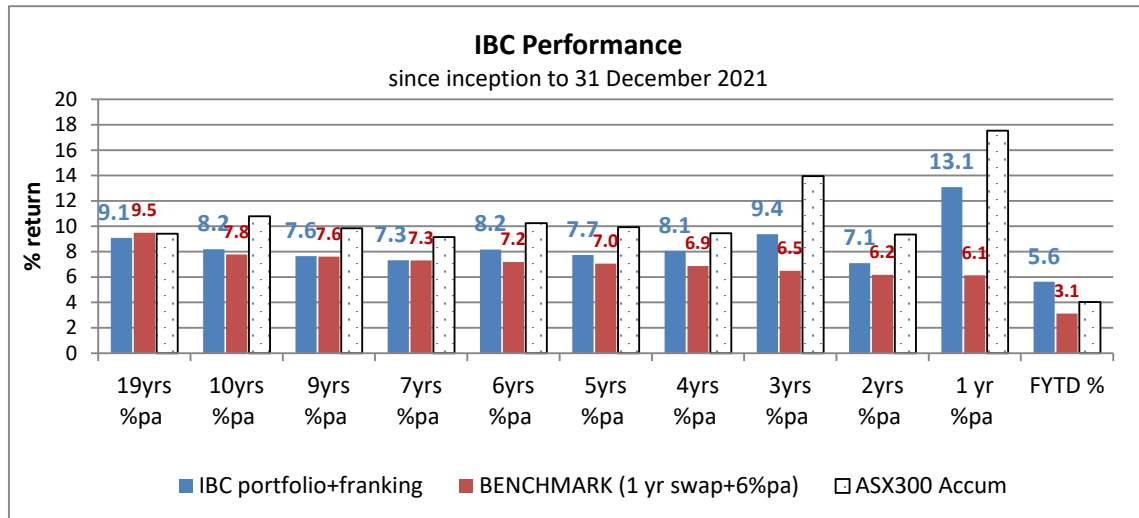
**Michael J Cole AM**  
**Chairman**

**Investment Manager Report –half year to 31 December 2021**

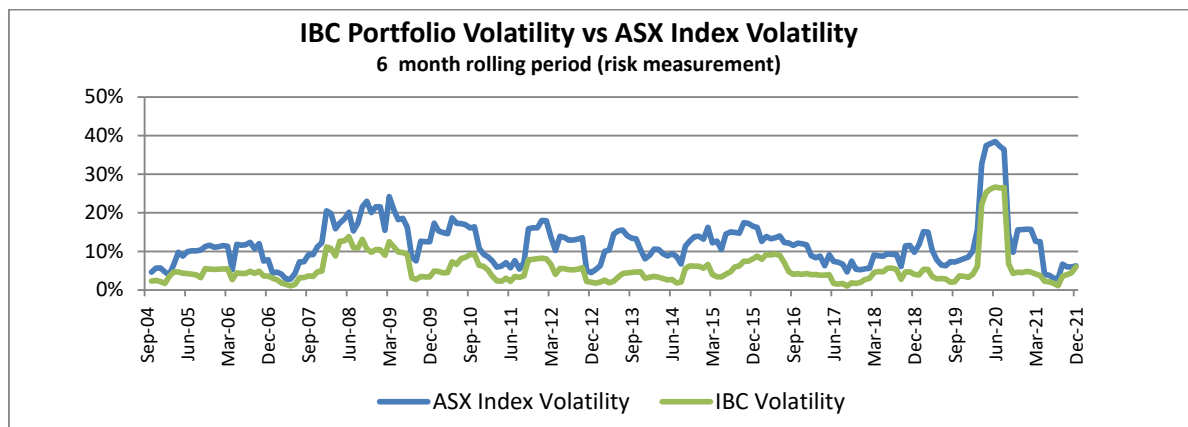
The manager’s focus is to deliver consistent returns and a high fully franked dividend yield from the portfolio. IBC’s performance benchmark is the 1-year swap rate plus 6% per annum.

Performance measurement includes franking credits and option premium income. Franking credits are a significant source of return from IBC’s hybrid investments and for shareholders. Option premium income is generated from buy & write activity and varies with market conditions. Over the half year period, realised option premium income was \$0.846m (1.4% of the portfolio). The calculation of the portfolio’s current running yield of 5.2% excludes option income because realised option premiums are highly variable from year to year.

IBC recorded a good portfolio return of 5.6% over the half year outperforming its benchmark return of 3.1% and the equities market return of 4.0%. Since inception, over 19 years including two crisis periods (GFC & Covid-19) the portfolio achieved a return of 9.1%pa with risk measured in terms of volatility approximately 54% of equity market risk.



IBC’s focus on income generation and capital preservation from a balanced portfolio structure has delivered very good risk adjusted returns compared to the equities market over the longer term. Corporate activity in regulated utilities and investors shifting towards value stocks supported the very good half year return.



**Portfolio**

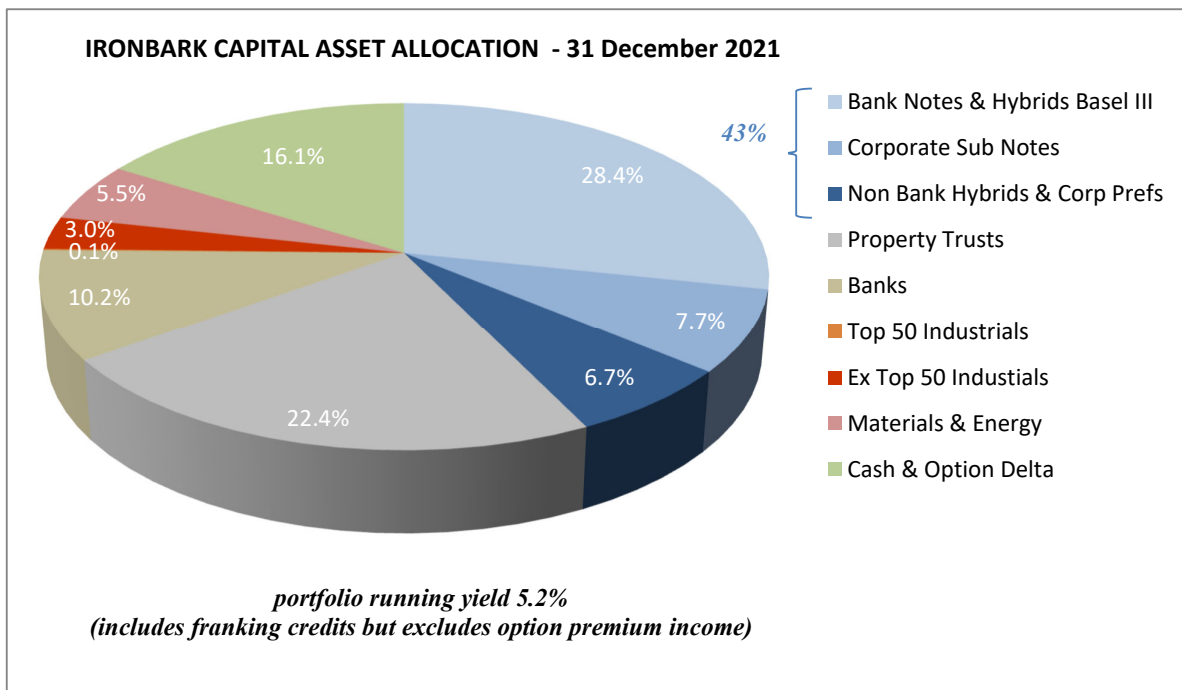
The portfolio is structured with an emphasis on income through yield orientated securities (hybrids and corporate bonds, utilities, property trusts) and buy & write positions in Banks, BHP, Telstra and other leading companies. The portfolio's running yield was 5.2% inclusive of franking credits but excluding option premium income.

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

The portfolio is diversified across 23 different entities. Higher risk exposures in banks, industrials and resources are largely held through buy & write option positions for income enhancement or added protection. The portfolio's hybrid and corporate bond holdings are mostly floating rate securities with little duration risk.

Approximately 43% of the portfolio was held in hybrids and corporate bonds and 16% in buy & writes in Banks, Telstra, and BHP. The balance was represented by 22% in property trusts, 3% in mid-cap and small companies, and 16% held in cash & option delta.

Asset allocation reflects a cautious stance.



**Portfolio Performance-half year to 31 December 2021**

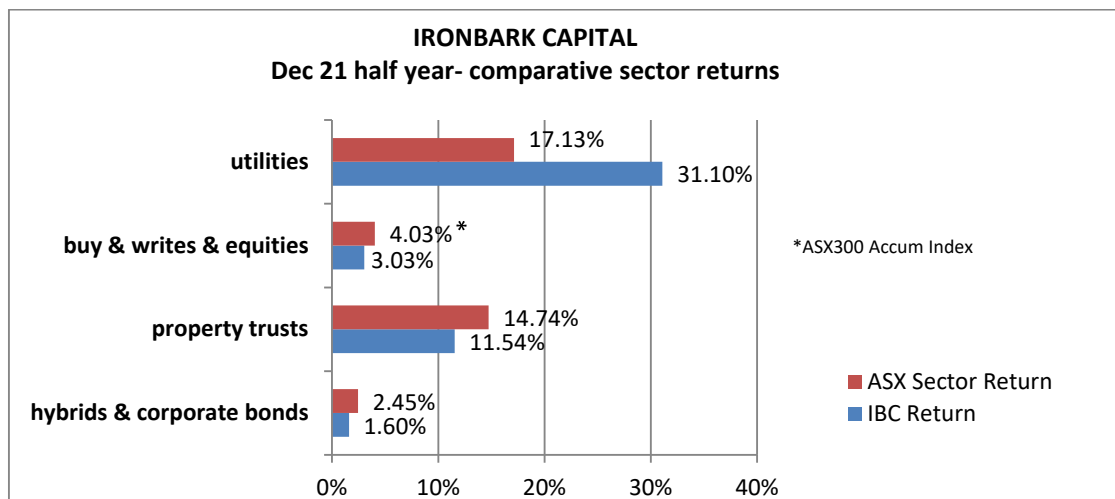
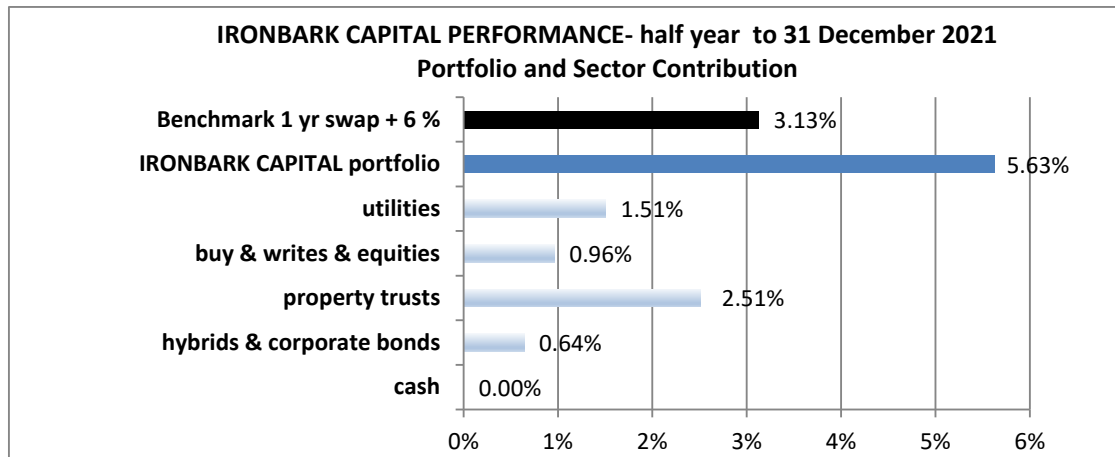
The portfolio recorded a good return of 5.63% for the half year period and completed a \$6.9m on market buy back of IBC shares in November.

The 5% holding in Spark Infrastructure (SKI) was exited under takeover and delivered a return of 31%.

Property trusts holdings performed strongly gaining 11.5%, representing 22% of the portfolio, supported by valuation yield compression and good leasing outcomes. The portfolio remains weighted towards long wale trusts, healthcare property and industrial trusts.

Hybrids and corporate bonds representing around 43% of the portfolio gained 1.6%. Average bank hybrid margins reduced marginally to around 2.1%. Major bank capital positions remain strong and new hybrid issuance was largely replacement securities. The portfolio participated in the replacement hybrid securities offered by Westpac and Suncorp on a margin of 290 bps and Ampol subordinated debt issued on a margin of 340 bps.

Buy & writes were focused on the banks and BHP that experienced mixed results producing a gain of 3%.



**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Portfolio Shareholdings as at 31 December 2021**

**Portfolio Shareholdings at 31 December 2021**

ASX Code	Security	Market Value* \$'000	% of portfolio	% exposure**
<b>Banks</b>				
ANZ	ANZ Banking Group Limited	2,727	4.5	3.0
CBA	Commonwealth Bank of Australia Limited	3,810	6.3	3.8
NAB	National Australia Bank Limited	450	0.7	0.4
WBC	Westpac Banking Corporation Limited	2,413	4.0	3.0
		<b>9,400</b>	<b>15.5</b>	<b>10.2</b>
<b>Hybrids &amp; Corporate Bonds</b>				
ALD26/27	Ampol Limited - Subordinated Notes (Unlisted)	2,291	3.8	3.8
ANZPG/PI	ANZ Banking Group Limited - Capital Notes	856	1.4	1.4
AUS1080	AusNet Services Limited - Subordinated Notes (Unlisted)	1,003	1.7	1.7
AYUPA	Australian Unity Limited - Mutual Capital Instrument	1,254	2.1	2.1
BOQPE/PF	Bank of Queensland Limited - Capital Notes	2,632	4.4	4.4
BENPG	Bendigo & Adelaide Bank Limited - Convertible Preference Shares	495	0.8	0.8
CBAPG/PI	Commonwealth Bank of Australia Limited - Capital Notes	1,253	2.1	2.1
IAGPD	Insurance Australia Group Limited - Capital Notes	1,968	3.3	3.3
MAC05	Macquarie Bank Limited - Subordinated Notes (Unlisted)	524	0.9	0.9
MBLPC	Macquarie Bank Limited - Capital Notes	650	1.1	1.1
MQGPC/PD	Macquarie Group Limited - Capital Notes	1,561	2.6	2.6
NABPD/PF/PH	National Australia Bank Limited - Capital Notes	3,003	5.0	5.0
NAB25	National Australia Bank Limited - Capital Notes (Unlisted)	523	0.9	0.9
NAB25F	National Australia Bank Limited - Fixed Capital Notes (Unlisted)	509	0.8	0.8
QUBHA	Qube Holdings Limited - Subordinated Notes	1,347	2.2	2.2
RHCPA	Ramsay Healthcare Limited - Perpetual Preference Securities	800	1.3	1.3
SUNPF/PG/PI	Suncorp Group Limited - Capital Notes	2,747	4.6	4.6
WBCPK	Westpac Banking Corporation Limited - Capital Notes	2,333	3.9	3.9
		<b>25,749</b>	<b>42.9</b>	<b>42.9</b>
<b>Materials &amp; Energy</b>				
BHP	BHP Billiton Limited	4,614	7.7	3.1
		<b>4,614</b>	<b>7.7</b>	<b>5.4</b>
<b>Property</b>				
AUHW	Australian Unity Healthcare Wholesale Fund (Unlisted)	3,110	5.2	5.2
CIP	Centuria Industrial REIT	643	1.1	1.1
CLW	Charter Hall Long WALE REIT	4,800	8.0	8.0
GOZ	Growthpoint Properties Australia	443	0.7	0.7
WPR	Waypoint REIT	4,494	7.5	7.5
		<b>13,490</b>	<b>22.5</b>	<b>22.5</b>
<b>Healthcare</b>				
CSL	CSL Limited	212	0.4	0.1
		<b>212</b>	<b>0.4</b>	<b>0.1</b>
<b>Small Industrial</b>				
D2O	Duxton Water Limited	125	0.2	0.2
SDF	Steadfast Group Limited	1,706	2.8	2.8
		<b>1,831</b>	<b>3.0</b>	<b>3.0</b>
<b>Cash</b>				
		<b>4,794</b>	<b>8.0</b>	<b>15.9</b>
		<b>60,090</b>	<b>100.0</b>	<b>100.0</b>

\*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 2021**

<b>Directors</b>	Michael J Cole AM, Chairman Ian J Hunter Sam Kaplan
<b>Company Secretary</b>	Jill Brewster
<b>Principal Registered Office</b>	Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0399
<b>Share Registrar</b>	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Shareholder enquiries telephone: (02) 9290 9600
<b>Investment Manager</b>	Kaplan Funds Management Pty Limited Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0300
<b>Accounting &amp; Administration</b>	Kaplan Funds Management Pty Limited Suite 607 180 Ocean Street Edgecliff NSW 2027 Telephone: (02) 8917 0399 Fax: (02) 8917 0355
<b>Auditors</b>	MNSA Pty Ltd Level 1 283 George Street Sydney NSW 2000
<b>Website</b>	<a href="http://www.ironbarkcapital.com">www.ironbarkcapital.com</a>
<b>Company Secretarial &amp; all other enquiries</b>	Telephone: (02) 8917 0399 Email: <a href="mailto:enquiries@ironbarkcapital.com">enquiries@ironbarkcapital.com</a>
<b>Stock Exchange</b>	Australian Securities Exchange ASX code: IBC

## **Directors' Report**

The Directors present their report on the Company for the half-year ended 31 December 2021.

### **Directors**

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

Michael J Cole AM, Chairman  
Ross J Finley (Retired 15 December 2021)  
Ian J Hunter  
Sam Kaplan (Appointed 15 December 2021)

### **Review of Operations**

The profit from ordinary activities after income tax for the half-year to 31 December 2021 was \$2,039,000 (2020: \$3,618,000). The very high unrealised gains of the prior half year recovering to near pre-Covid levels was not replicated in this half year, however, gains of \$1.77m were realised predominantly from the takeover of Spark Infrastructure and the sale of property trusts. Dividend income increased by 82.2% reflecting the recovery in dividend payouts particularly from the banks and BHP as companies recovered from the pandemic downturn.

The net tangible asset backing after tax for each ordinary share as at 31 December 2021 amounted to \$0.549 per share (2020: \$0.528 per share).

A performance fee of \$228,000 is accrued for the period based on the absolute return benchmark. The performance fee was calculated from the start of this current financial year, when the highwater mark was reset.

Approximately 3.5% of shareholders representing 10.6% of issued capital (13 million shares) participated in the on-market buy-back which operated for a period of one month ending on 23 November 2021.

A fully franked dividend of 1 cent per share has been declared since the end of the half-year and is payable on 31 March 2022.

### **Rounding of amounts**

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

### **Auditor's independence declaration**

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

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



Michael J Cole AM  
Chairman  
Sydney  
18 February 2022



**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 2021 there have been no contraventions of:

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

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro  
Director

Sydney  
18<sup>th</sup> February 2022

**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Statement of Profit or Loss and Other**  
**Comprehensive Income**  
**For the half-year ended 31 December 2021**

	Notes	Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000
<b>Investment income from trading portfolio</b>			
Revenue	3	1,788	1,333
Net gain on trading portfolio	3	1,058	3,622
<b>Total investment income from trading portfolio</b>		<b>2,846</b>	<b>4,955</b>
<b>Expenses</b>			
Management fees		(136)	(126)
Performance fees		(228)	-
Brokerage expense		(25)	(13)
Accounting fees		(34)	(27)
Share registry fees		(16)	(9)
Custody fees		(16)	(16)
Tax fees		(6)	(6)
Directors' liability insurance		(16)	(13)
Legal fees		(7)	(6)
Directors' fees		(33)	(33)
ASX fees		(26)	(22)
Audit fees		(15)	(15)
Option fees		(7)	(10)
Other expenses		(42)	(27)
<b>Total expenses</b>		<b>(607)</b>	<b>(323)</b>
<b>Profit before income tax</b>		<b>2,239</b>	<b>4,632</b>
Income tax expense		(200)	(1,014)
<b>Net profit for the period</b>		<b>2,039</b>	<b>3,618</b>
Other comprehensive income for the period net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>2,039</b>	<b>3,618</b>
		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings per share	6	<b>1.70</b>	<b>2.94</b>

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

**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Statement of Financial Position**  
**As at 31 December 2021**

	Notes	31 December 2021 \$'000	30 June 2021 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,794	1,243
Trade and other receivables		215	424
Trading portfolio		55,296	65,004
Other assets		44	4
<b>Total current assets</b>		<b>60,349</b>	<b>66,675</b>
<b>Non-current assets</b>			
Deferred tax assets		2,058	2,214
<b>Total non-current assets</b>		<b>2,058</b>	<b>2,214</b>
<b>Total assets</b>		<b>62,407</b>	<b>68,889</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		314	441
Current tax liabilities		413	-
Provision for dividend		-	-
<b>Total current liabilities</b>		<b>727</b>	<b>441</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,135	1,504
<b>Total non-current liabilities</b>		<b>1,135</b>	<b>1,504</b>
<b>Total liabilities</b>		<b>1,862</b>	<b>1,945</b>
<b>Net assets</b>		<b>60,545</b>	<b>66,944</b>
<b>Equity</b>			
Issued capital	7	60,475	67,374
Profit reserve		6,305	5,805
Accumulated losses		(6,235)	(6,235)
<b>Total equity</b>		<b>60,545</b>	<b>66,944</b>

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

**Ironbark Capital Limited**  
**ABN 89 008 108 227**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2021**

	Notes	Issued capital \$'000	Profit reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		67,374	5,805	(6,235)	66,944
Profit for the period		-	-	2,039	2,039
Transfer to profit reserve		-	2,039	(2,039)	-
<b>Total comprehensive income for the period</b>		<b>67,374</b>	<b>7,844</b>	<b>(6,235)</b>	<b>68,983</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid	5	-	(1,539)	-	(1,539)
Buy-back of shares	7(b)	(6,899)	-	-	(6,899)
<b>Balance at 31 December 2021</b>		<b>60,475</b>	<b>6,305</b>	<b>(6,235)</b>	<b>60,545</b>
<b>Balance at 1 July 2020</b>		67,374	376	(6,235)	61,515
Profit for the period		-	-	3,618	3,618
Transfer to profit reserve		-	3,618	(3,618)	-
<b>Total comprehensive income for the period</b>		<b>67,374</b>	<b>3,994</b>	<b>(6,235)</b>	<b>65,133</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid	5	-	-	-	-
<b>Balance at 31 December 2020</b>		<b>67,374</b>	<b>3,994</b>	<b>(6,235)</b>	<b>65,133</b>

*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 2021**

	Notes	Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000
<b>Cash flows from operating activities</b>			
Interest received		71	39
Net proceeds/(purchases)of trading portfolio		10,444	(1,041)
Dividends & trust distributions received		1,884	1,148
Other income received		3	20
Management fees paid		(137)	(124)
Other expenses paid		(276)	(231)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>11,989</b>	<b>(189)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to shareholders	5	(1,539)	-
Payment for shares bought back	7(b)	(6,899)	-
<b>Net cash outflow from financing activities</b>		<b>(8,438)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>3,551</b>	<b>(189)</b>
Cash and cash equivalents at beginning of period		1,243	645
<b>Cash and cash equivalents at the end of period</b>		<b>4,794</b>	<b>456</b>
Non cash: Distribution reinvestment		57	46

*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 2021 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 2021, 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 18 February 2022.

## 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 2021 \$'000	31 December 2020 \$'000
Dividends	1,299	713
Interest	72	46
Distributions	415	554
Other income	2	20
	<b>1,788</b>	1,333
<i>Net gains/(losses) on trading portfolio</i>		
Net realised gains/(losses) on trading portfolio	1,770	(728)
Net unrealised (losses)/gains on trading portfolio	(712)	4,350
	<b>1,058</b>	3,622
	<b>2,846</b>	4,955

## 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 2021:

**31 December 2021**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Trading portfolio	47,337	7,959	-	55,296
<b>Total</b>	<u>47,337</u>	<u>7,959</u>	<u>-</u>	<u>55,296</u>

**30 June 2021**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Trading portfolio	58,417	6,587	-	65,004
<b>Total</b>	<u>58,417</u>	<u>6,587</u>	<u>-</u>	<u>65,004</u>

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 2021 \$'000	31 December 2020 \$'000
Dividends provided for or paid during the half-year	<u>1,539</u>	<u>-</u>

Since the end of the half-year, the Directors have declared a fully franked dividend of 1 cent per share to be paid on 31 March 2022. The aggregate amount of \$1.101 million has not been recognised as a liability at the end of the period.

##### (b) Dividend rate

Dividends provided for or paid are fully franked at 25% tax rate (2021: 26%).

## 6. Earnings per share

### (a) Basic and diluted earnings per share

	Half-year ended	
	31 December 2021	31 December 2020
	Cents	Cents
From continuing operations attributable to the ordinary equity holders of the company	1.70	2.94

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

	Half-year ended	
	31 December 2021	31 December 2020
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	119,760,682	123,166,545

## 7. Issued capital

### (a) Issued capital

	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	110,154,394	123,166,545	60,475	67,374

### (b) Movements in ordinary share capital

	Number of shares	\$'000
Balance at 1 July 2021	123,166,545	67,374
On-market share buyback	(13,012,151)	(6,899)
Balance at 31 December 2021	110,154,394	60,475

## 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 2021 (2020: nil).

## **9. Events occurring after the reporting period**

Other than the declaration of a fully franked dividend of 1 cent 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 20 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 2021 and of its performance for the half-year ended on that date.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Michael J Cole AM  
Chairman

Sydney  
18 February 2022



**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 2021, 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half-year financial report of Ironbark Capital Limited does not present fairly, in all material respects, the financial position of the Ironbark Capital Limited as at 31 December 2021, and its financial performance and its cash flows for the half-year ended on that date, in accordance with applicable financial reporting framework.

*Basis for Conclusion*

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Ironbark Capital Limited in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*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 2021 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*.

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.

*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 2021 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MNSA PTY LTD

MNSA Pty Ltd



Mark Schiliro  
Director

Sydney  
18<sup>th</sup> February 2022



MNSA