IRONBARK CAPITAL

ABN 89 008 108 227

IRONBARK CAPITAL LIMITED
APPENDIX 4E

PRELIMINARY FINAL REPORT
YEAR ENDED 30 JUNE 2011

(previous corresponding period
being the year ended 30 June 2010)

IRONBARK CAPITAL LIMITED

ABN 89 008 108 227

RESULTS FOR ANNOUNCEMENT TO THE MARKET
YEAR ENDED 30 JUNE 2011

	2011 Year $'000	2010 Year $'000	% change prior year	Up / Down
Investment revenue from ordinary activities	11,225	8,686	29	Up
Gain/(Loss) before tax for the period attributable to members	10,258	7,787	32	Up
Gain/(Loss) from ordinary activities after tax attributable to members (1)	7,876	5,931	33	Up
Net Tangible Assets per share (2)*	$0.566	$0.546	4	Up
Net Tangible Assets per share (3)*	$0.562	$0.535	5	Up

DIVIDENDS
The following dividends were paid during the year:

	Dividend Rate	**Total Amount $'000**	**Date of Payment**	**Percentage Franked**
Ordinary	2.0 cps	2,831	21/09/2010	100%
Ordinary	1.5 cps	2,123	15/03/2011	100%

It is the Directors' policy only to pay fully franked dividends. With the amendment of Corporations Act provisions to allow the payment of dividends on a solvency basis, the Directors intended to be able to pay dividends each year as IBC received fully franked dividends from shares held in its investment portfolio. However, a draft ATO fact sheet issued in June 2011 dealing with the franking of dividends under the new Corporations Act provisions has cast doubt over whether such dividends can be franked. As a result of this current uncertainty, a final dividend has not been declared by the Directors at this point in time. The Directors will reassess their position as soon as the current situation is clarified.

Currently IBC holds franking credits sufficient to pay a fully franked dividend of around 1.5 cent per share.

BRIEF EXPLANATION OF ANY OF THE FIGURES REPORTED ABOVE
(1) Net profit/loss after tax increased by $1,945,000 (33%) compared to 30 June 2010.
(2) Net tangible asset backing per share post deferred income tax asset.
(3) Net tangible asset backing per share pre deferred income tax asset on unrealised losses.

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COMMENTARY ON THE RESULTS - PROVIDED BY THE CHAIRMAN

The Directors consider that the investment management performance of IBC has been very satisfactory in the latest financial year. The IBC portfolio lifted 15.36% over the period. This number has comfortably exceed our internal target of 1% per month as well as exceeding the ASX 300 benchmark by a margin of 3.46%.

The latest performance continues very good investment returns over the past difficult five years. The table in the Investment Managers Report highlights that IBC has generated significant out-performance above the ASX 300 Index over the most recent 1year, 3 years and 5 year periods. In addition, the share portfolio volatility is approximately half that of the Index volatility over all of these periods.

Over the longer period approaching a decade since inception, the IBC portfolio has captured 95% of the ASX 300 index performance but recorded only just over half the volatility of the index. This performance is consistent with the solid growth, high yield and low risk of the IBC portfolio.

The sound investment performance has continued into the current 2012 financial year with IBC now having outperformed the ASX 300 Index over 1 year, 2 years, 3 years, 5 years and the 9 years since inception.

As noted above the lower risk embedded in the IBC portfolio means the investment returns are generally expected to be below long only managers. In this context it is interesting to note the strength and consistency of the IBC's investment performance is top quartile for periods up to five years when compared to other domestic managers in the Mercer Investment Performance survey

Whist the performance of the IBC investment portfolio has been good, the Directors understand that IBC shareholders are frustrated by the large discount of the ASX share price of IBC shares to the Net Tangible Asset (NTA) backing of the shares. On market buy-backs have provided some liquidity but have not had a lasting positive impact on the discount and gradually shrink the company, thereby reducing cost efficiencies.

The Directors considered that if there was certainty that the full NTA backing could be realized at a specific future date, the discount of the ASX share price to the NTA backing may narrow immediately and may be eliminated over time as that date approached.

In pursuit of this objective, IBC sought shareholder approval at a General Meeting of shareholders held 21st July 2011 to amend the company's Constitution to include a new rule 4.12. In essence this Rule requires Directors to put a resolution to shareholders after June 30th 2014 and before 30th April 2015 offering to buy-back all of the shares held by IBC shareholders in mid 2015 at the NTA backing per share at that time, less transaction costs and expenses.

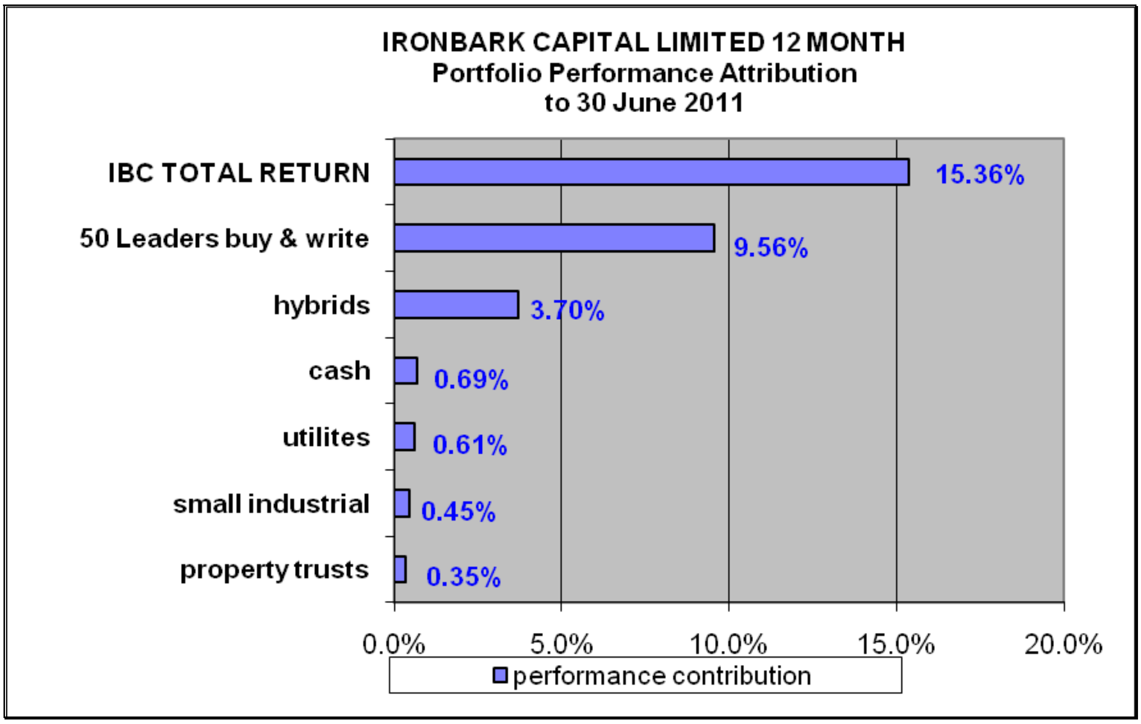
The Resolution was passed by Shareholders and the new rule is now included in the IBC Constitution.

With the benefit of the Constitutional amendment potentially providing certainty for Shareholders to access the full NTA value of the shares in mid 2015 it is anticipated the share price discount to NTA will narrow as investors focus on the sound investment performance of the IBC portfolio with it its high fully franked yield and low volatility features.

COMMENTARY ON THE RESULTS - PROVIDED BY KAPLAN FUNDS MANAGEMENT PTY LIMITED

Performance

We are pleased to report a return of 15.36% over the 12 month period to 30 June 2011. The portfolio significantly outperformed the ASX 300 Accumulation Index return of 11.9% over the year with significantly less volatility/risk than the overall sharemarket. Outperformance was largely attributed to the portfolio's buy & write strategy producing significant option premium income and gains from sound stock selection. Exposure to hybrids, utilities and property trusts also contributed to performance and the portfolio benefited from takeover activity in small stocks.



Over the quarter, the portfolio return of 0.72% contrasted with the sharemarket decline of -4.26%.

A weaker growth outlook both globally and domestically altered the investment climate in favour of defensive sectors that benefited the portfolio's 56% exposure to: hybrids, utilities, property trusts and cash.

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A multitude of negative factors impacted the growth outlook: Globally, the fallout from Japanese supply disruptions reverberated around the world with manufacturing activity slowing abruptly. European sovereign debt problems threatened a Lehmans MkII and Asian economies grappled with inflationary pressures. Domestically, high oil prices, rising utility costs, carbon tax concerns, falling home prices, weak government and a hawkish RBA collectively sapped consumer confidence. March quarter GDP was weaker than expected and the positive growth contribution from resource investment has pushed further out with cost blow outs and delays now common.

The portfolio is structured with an emphasis on income through yield orientated securities and buy & write positions in leading companies. The buy & write strategy involves buying selective shares and selling, subject to appropriate timing, call options over those shares. This strategy gives away some of the upside potential from a shareholding but generates option premium income consistent with the income emphasis of the portfolio.

The management style has delivered outperformance against the sharemarket Index over 1, 2, 3 and 5 year periods.

Our objective is to achieve absolute returns of at least 12% per annum over the medium to long term with approximately half of the risk/volatility of the sharemarket.

Portfolio volatility/risk has consistently been lower than the ASX 300 Index.

Relative Performance to 30 June 2011

	Inception (31/12/02) % pa	5 Yr % pa	3 Yr % pa	2 Yr % pa	1 Yr %	6 mths %	3 mths %
Ironbark Capital Ltd	**9.81**	**5.09**	**6.49**	**13.86**	**15.36**	**3.80**	**0.72**
ASX 300 Accum Index	10.37	2.37	0.26	12.47	11.90	-1.27	-4.26
Relative Performance	-0.56	2.72	6.23	1.39	3.46	5.07	4.98
Volatility IBC	**7.3**	**8.6**	**9.3**	**5.6**	**5.0**		
Volatility ASX	13.6	15.8	17.7	13.4	8.4		

Absolute Performance

	FY2005 %	FY2006 %	FY2007 %	FY2008 %	FY2009 %	FY2010 %	FY2011 %
Ironbark Capital Ltd	**20.23**	**12.26**	**17.52**	**-9.71**	**-6.84**	**12.38**	**15.36**
Absolute-Return Target	12.00	12.00	12.00	12.00	12.00	12.00	12.00

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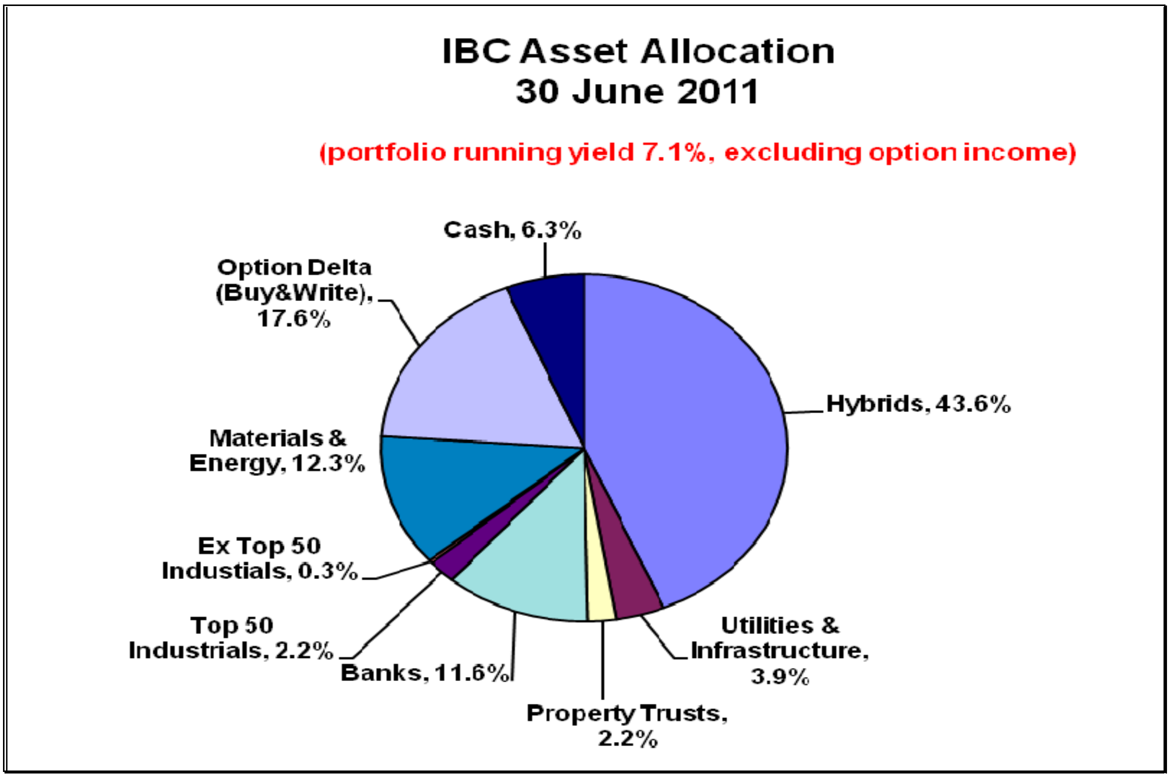

Portfolio commentary for the 3 months to 30th June 2011

The portfolio aims to produce consistent returns with low risk and has a balanced structure consisting of a mix of income and growth assets designed to achieve its objective over the medium to long term. The portfolio is structured with an income bias (Hybrids, Utilities, Property Trusts) overlaid with buy & write positions in BHP and other leading companies.

The portfolio's running yield was 7.1% (inclusive of franking credits). The running yield excludes option premium income which would further increase the yield.

The portfolio is well diversified with investments in 37 different entities. Higher risk exposures in: Banks, Industrials and Resources are largely held through buy & write option positions for added protection and income enhancement. Moderately high option volatility continues to provide good standstill returns and reasonable downside protection for the buy & write strategy. The portfolio's hybrid holdings are largely floating rate securities that will benefit from higher interest rates.

During the quarter the major change was an increase of 6% in hybrids. Overall cash exposure (cash plus option delta) was reduced to 24%.

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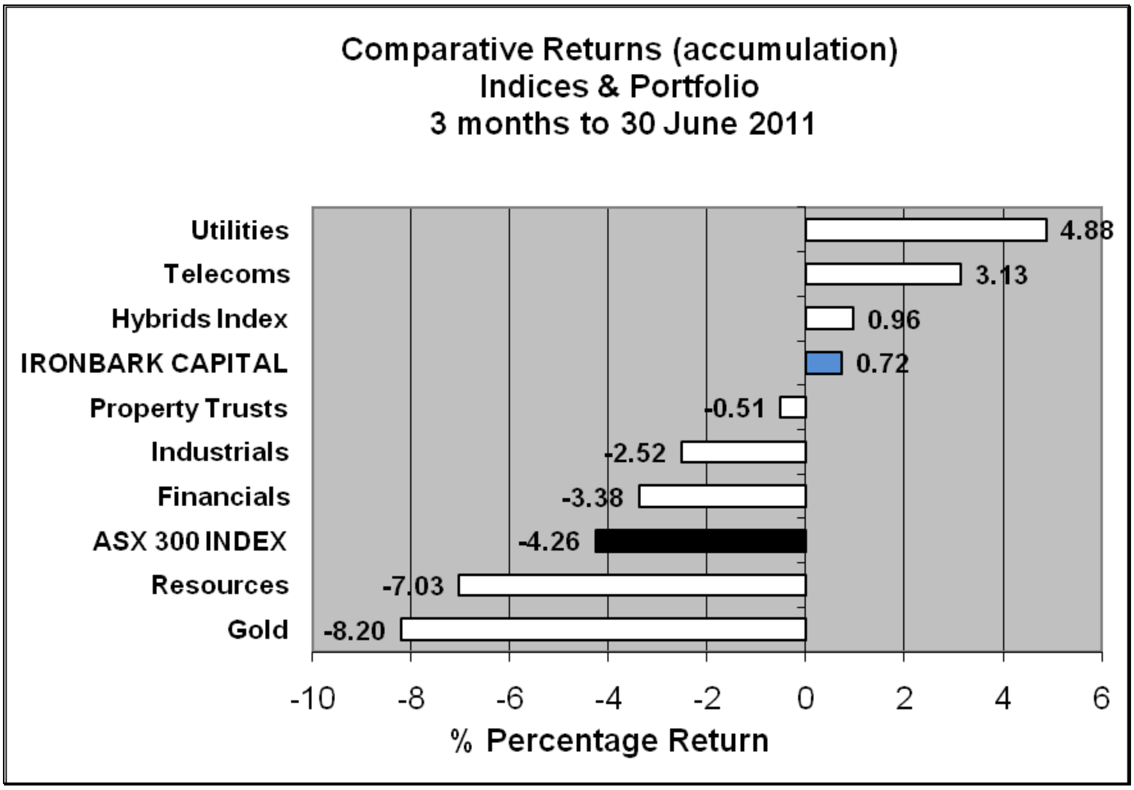

The portfolio recorded a return of 0.72% over the 3 month period to 30 June 2011 compared to the ASX 300 Accumulation Index return of -4.26%. The quarterly result was largely attributed to positive returns from utilities, Telstra and hybrid securities.

Kaplan Funds Management Pty Limited

Ironbark Capital Limited

ABN 89 008 108 227

Financial Statements
For the year ended 30 June 2011

Contents

For the year ended 30 June 2011

Ironbark Capital Limited
ABN 89 008 108 227
Directory

Investment Manager
Kaplan Funds Management Pty Limited
Level 22
44 Market Street
Sydney NSW 2000
Telephone: (02) 8917 0300

Directors
Michael J Cole (Chairman)
Ross J Finley
Ian J Hunter

Company Secretary
Peter Roberts

Registered Office
Level 7, 20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701

Accounting & Administration
White Outsourcing Pty Ltd
Level 7, 20 Hunter Street
Sydney NSW 2000
Telephone: (02) 8236 7701
Fax: (02) 9221 1194

Auditors
MNSA Pty Ltd
Level 2, 333 George Street
Sydney NSW 2001

Share Registrar
Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Shareholder enquiries telephone: (02) 9290 9600

Company secretarial & all other enquiries
Telephone: (02) 8236 7701
Email: ironbarkcapital@whiteoutsourcing.com.au

Ironbark Capital Limited
ABN 89 008 108 227
Directors' Review

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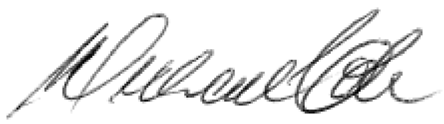


M J Cole
Chairman

25 August 2011

Ironbark Capital Limited
ABN 89 008 108 227
Corporate Governance Policy Statement

This statement outlines the main corporate governance practices adopted by the Company, which comply with the ASX Corporate Governance Council Principles and Recommendations (2nd Edition, August 2007) unless otherwise stated.

Board of Directors and Its Committees

Structure of the Board
The skills, experience and expertise relevant to the position of each director in office at the date of the annual report is included in the Director's Report on page 15. Directors of Ironbark Capital Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of director independence, "materiality" is considered from both the company and individual director's perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the directors in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, the following directors, being the entire Board, are considered to be independent:

Name	Position
Michael J Cole	Chairman, Non-Executive Director
Ross J Finley	Non-Executive Director
Ian J Hunter	Non-Executive Director

The Board consider that although Michael Cole is a substantial shareholder, this does not affect his independence as he satisfies all other suggested criteria for assessing independence set out in Recommendation 2.1.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in office
Michael J Cole	9 years
Ross J Finley	25 years
Ian J Hunter	9 years

Recommendation 2.3 requires that "the role of the Chair and Chief Executive Officer of the Company should not be exercised by the same individual". The Company does not comply with this recommendation as there is no Chief Executive Officer of the Company (for more information refer "Executive Management" in this Statement).

Role of the Board
The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfill this role the Board seeks to address:
(a) the prudential control of the Company's operations;
(b) the resourcing, review and monitoring of executive management;
(c) the timeliness and accuracy of reporting to shareholders; and
(d) the determination of the Company's broad objectives.

Board Processes
The Board has established a number of Board Committees including a Nomination Committee, a Remuneration Committee and an Audit Committee. These committees have written mandates and operating procedures which are reviewed on a regular basis. The Board has also established a range of policies which govern its operation.

The Board will hold four scheduled meetings each year plus any other strategic meetings as and when necessitated by the Company's operations. The agenda for meetings is prepared through the input of the Chairman and the Company Secretary. Standing items include matters of compliance and reporting, financials, shareholder communications and investment strategy and outcomes. Submissions are circulated in advance.

Composition of the Board
The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report on page 15.

The composition of the Board is determined using the following principles:
- A minimum of three directors;
- An independent, non-executive director as Chairman; and
- A majority of independent non-executive directors.

An independent director is considered to be a director:
(a) who is not a member of management;
(b) who has not within the last three years been employed in an executive capacity by the Company or been a principal of a professional adviser or consultant to the Company;
(c) is not a significant supplier to the Company;
(d) has no material contractual relationship with the Company other than as a director; and
(e) is free from any interest or business or other relationship which could materially interfere with the director's ability to act in the best interests of the Company.

Directors have a usual term of two years, and a maximum term of 3 years before standing for re-election.

Performance Evaluation of Directors
The Nomination Committee is responsible for the review of the Board's performance as a whole. An annual performance evaluation of the Board and all Board members is conducted annually. This review took place in August for the 2011 calendar year. Individual directors are subject to continuous review by the Chairman.

Recommendation 1.2 requires the disclosure of the process for evaluating the performance of senior executives. The Company does not comply with this recommendation as there are no senior executive officers of the Company (for more information refer "Executive Management" in this Statement).

Nomination Committee
The Nomination Committee considers the appropriate size and composition of the Board, criteria for membership, identification of potential candidates and the terms and conditions of appointment to and retirement from the Board.

The Committee is responsible for:
- Conducting an annual review of the Board membership with regard to the present and future requirements of the Company and make recommendations as to composition and appointments;
- Review of Board succession plans, including succession of the Chairman, to maintain an appropriate balance of skills, experience and expertise;
- Conducting an annual review of the time required from non-executive directors, and whether the directors are meeting this;
- Requesting non-executive directors to inform the Chair and the Chair of the nomination committee before accepting any new appointments as directors;
- Conducting an annual review of the independence of directors; and
- Recommendations to the Board on necessary and desirable competencies of directors.

The Committee's target is to ensure that (as a minimum) directors collectively have investment accounting, general business experience and shareholder representation. The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment. The Committee is responsible for the performance review of the Board and its Committees. Individual directors are subject to continuous review by the Chairman. Directors whose performance is unsatisfactory are asked to retire.

In addition, the performance of service providers (JP Morgan, White Outsourcing Pty Limited and Kaplan Funds Management Pty Ltd) is the subject of continuous oversight by the Chairman and the Board as a whole.

The Nomination Committee comprised the following members during the year:

- Michael Cole (Chairman) - Independent Non-Executive
- Ian Hunter - Independent Non-Executive
- Ross Finley - Independent Non-Executive

The Nomination Committee meets annually unless otherwise required. For details on the number of meetings of the Nomination Committee held during the year and the attendees at those meetings, refer to page 16 of the Director's Report.

Director Dealing in Company Shares
The company encourages directors to have a significant personal financial interest in Ironbark Capital Limited ("IBC"), by acquiring and holding shares on a long-term basis.

Short term trading in IBC's shares by directors is not permitted.

The Board has adopted the following policy concerning dealing in IBC's shares by directors.

- Insider trading laws prohibit Directors and their associates from dealing in the Company's shares whilst in possession of price sensitive information that is not generally available.

- As a matter of practice, market disclosure will be made whenever the gross portfolio value moves by more than 2.5% since the previous NTA announcement. Directors' trading will be allowed, provided such an announcement has been made and a reasonable amount of time allowed for the dissemination of the information into the market.

Independent Professional Advice and Access to Company Information
Each director has the right of access to all relevant Company information and to the Company's executives and subject to prior consultation with the Chairman, may seek independent professional advice at the entity's expense. A copy of advice received by the director is made available to all other members of the Board.

Remuneration Committee
The Remuneration Committee reviews and makes recommendations to the Board on remuneration of the directors themselves. The Remuneration Committee meets once a year. Full details on Directors' remuneration are provided in the Directors' Report.

The members of the Remuneration Committee during the year were:

- Michael Cole (Chairman)
- Ian Hunter
- Ross Finley

As previously noted, the executive function of the Company has been outsourced to White Outsourcing Pty Limited (accounting and administration) and Kaplan Funds Management Pty Limited (funds management), therefore, there are no executive directors of the Company. The responsibility for considering and recommending appropriate remuneration of the non-executive directors' packages for the Board lies with the Remuneration Committee. Non-executive directors are remunerated by way of cash payments.

Recommendation 8.2 states that the Company should "clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives". The Company does not comply with this recommendation as there are no executive directors or senior executives.

For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to page 16 of the Director's Report.

Audit Committee

The Audit Committee has a documented Charter, approved by the Board. All members must be non-executive directors. The Chairman is not the Chairman of the Board. The Committee is responsible for considering the effectiveness of the systems and standards of internal control, financial reporting and any other matter at the request of the Board. The Audit Committee will meet at least two times per year.

The Audit Committee may have in attendance at their meeting such members of management as may be deemed necessary to provide information and explanations. The external auditors attend meetings by invitation to report to the Committee.

The members of the Audit Committee during the year were:

- Ian Hunter (Chairman)
- Ross Finley
- Michael Cole

The responsibilities of the Audit Committee are to ensure that:

1. Relevant, reliable and timely information is available to the Board to monitor the performance of the Company;
2. External reporting is consistent with committee members' information and knowledge and is adequate for shareholder needs;
3. Management processes support external reporting in a format which facilitates ease of understanding by shareholders and institutions;
4. The external audit arrangements are adequate to ensure the maintenance of an effective and efficient external audit. This involves:
   (a) reviewing the terms of engagement, scope and auditor's independence;
   (b) recommendations as to the appointment, removal and remuneration of an auditor; and
   (c) reviewing the provision of non-audit services provided by the external auditor ensuring they do not adversely impact on audit independence;
5. Review the Company's risk profile and assess the operation of the Company's internal control system.

The external auditor is required to attend the Annual General Meeting and is available to answer shareholder questions.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to page 16 of the Director's Report.

The Board as a whole monitor the performance of the annual & half-yearly audit performed by the external auditor. If the Board consider that the external auditor of the Company should be changed a special resolution will be put to shareholder vote at the following Annual General Meeting. External audit engagement partners are required by legislation to rotate their appointment every five years.

Risk Management Policy

The Board acknowledges that it is responsible for the overall system of internal control but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board has delegated responsibility for reviewing the risk profile and reporting on the operation of the internal control system to the Audit Committee.

The Audit Committee (a) requires executive management to report annually on the operation of internal controls, (b) reviews the external audit of internal controls and liaises with the external auditor and (c) conducts any other investigations and obtains any other information it requires in order to report to the Board on the effectiveness of the internal control system. In respect of the current financial year all necessary declarations have been submitted to the Board.

The Board identifies the following business risks as having the potential to significantly or materially impact the company's performance (a) administrative risks including operational, compliance and financial reporting (b) market related risks.

Administrative Risks
The Company has outsourced its administrative functions to service providers, JP Morgan (custody), White Outsourcing Pty Limited (accounting and Company Secretarial) and Kaplan Funds Management Pty Limited (investment management) accordingly risk issues associated with these activities are handled in accordance with the service providers policies and procedures. White Outsourcing Pty Limited is responsible for recognising and managing administrative risks including (a) operational, (b) compliance and (c) financial reporting. Certificates of insurance currency are obtained annually from all key service providers.

The Company Secretary provides a declaration to the Board twice annually, to certify that the Company's financial statements and notes present a true and fair view, in all material respects, of the Company's financial condition and operational results and that they have been prepared and maintained in accordance with relevant Accounting Standards and the Corporations Act 2001. In respect of the current financial year all necessary declarations have been submitted to the Board. In addition, White Outsourcing Pty Ltd (accounting and Company Secretarial) will confirm half-yearly in writing to the Board that the declaration provided above is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Market Risks
The Board is primarily responsible for recognising and managing market related risks. By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market. Kaplan Funds Management Pty Ltd (investment manager), is required to act in accordance with the Board approved investment management agreement and reports to the Board quarterly on the portfolio's performance, material actions of the investment manager during that quarter and an explanation of the investment manager's material proposed actions for the upcoming quarter. In addition, the investment manager is required to report half-yearly that Kaplan Funds Management Pty Ltd have invested the Company's assets in accordance with the approved investment mandate and complied with the Investment Management Agreement requirements during the reporting period. In respect of the current financial year all necessary declarations have been submitted to the Board. In assessing the Company's risk tolerance level the Board considers any instance which materially affects the Company's monthly Net Tangible Asset backing announcement released to the ASX.

The Audit Committee and the Board perform a risk review on an annual basis to ensure that adequate controls are in place to mitigate risk associated with investment manager performance, market risk, fraud, transaction reporting errors, material reporting risks and compliance risk.

Executive Management
The companies operations are conducted through Kaplan Funds Management Pty Ltd (Investment Manager) and White Outsourcing Pty Limited (Administration Manager). These entities incorporate the specialist wholesale investment and administration personnel who undertake the Company's executive operations.

The Company's executive management arrangements have been structured to provide investors with a cost efficient investment vehicle and access to a significant depth of professional resources.

Ethical Standards
The Board expects all non-executive directors to act professionally in their conduct and with the utmost integrity and objectivity. All non-executive directors must comply with the Company's Code of Conduct and Ethics.

Shareholder Rights
Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and are able to receive the annual and interim financial statements if requested. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Ironbark Capital Limited, to lodge questions to be responded by the Board, and are able to appoint proxies.

Shareholder Communications

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- All information lodged with the ASX is available on the Company's website at **www.ironbarkcapital.com** via a direct link to the ASX website;
- An Annual Report will be mailed to shareholders at the close of the financial year, where requested; and
- Net asset backing per share is released to the ASX by the 14^{th} day following each month-end and is sent via email to shareholders who register their interest.

The Company Secretary is responsible for ensuring Ironbark Capital Limited complies with its continuous disclosure obligations. All relevant staff of White Outsourcing Pty Limited and Kaplan Funds Management Pty Limited are made aware of these obligations and are required to report any price sensitive information to the Company Secretary immediately they become aware of it. The Company Secretary in consultation with the Chairman will decide whether the information should be disclosed to the ASX.

Where possible, all continuous disclosure releases to the ASX are approved by the Board, except the monthly net asset backing per share which is approved by White Outsourcing Pty Limited in consultation with Kaplan Funds Management Pty Limited. Where time does not permit approval by the Board, the Chairman of directors must approve the release.

Any information of a material nature affecting the Company is disclosed to the market through release to the ASX as soon as the Company becomes aware of such information, in accordance with the ASX Continuous Disclosure requirement.

Board policies and charters covering the following are available on the Company's website at **www.ironbarkcapital.com:**

- Board charter
- Nomination Committee charter
- Audit Committee charter
- Remuneration Committee
- Disclosure policy
- Communication policy
- Risk management policy
- Trading policy
- Code of Conduct and Ethics

Ironbark Capital Limited
ABN 89 008 108 227
Portfolio shareholdings at 30 June 2011

ASX code	Security	* Market Value $'000	% of portfolio
	Banks		
ANZ	ANZ Banking Group Limited	2,318	2.9
CBA	Commonwealth Bank of Australia Limited	5,346	6.7
NAB	National Australia Bank Limited	3,196	4.0
WBC	Westpac Banking Corporation Limited	3,649	4.6
		14,509	18.2
	Hybrids		
ANZPA & PB	ANZ Banking Group Ltd - Convertible Preference Shares	3,898	4.9
AXJHA	AXA AsiaPacific Subordinated Notes	819	1.0
BENPB & PC	Bendigo Bank - Preference Securities	734	0.9
PCAPA	Commonwealth Bank of Australia PERLS III	3,922	5.0
CBAPA & PB	Commonwealth Bank of Australia PERLS V	5,083	6.4
IAGPA	Insurance Australia Group - Reset Convertible Preference Securities	1,203	1.5
NABHA	National Australia Bank Limited Income Securities	3,682	4.6
ORIPB	Orica Limited - Preference Securities	1,208	1.5
PXUPA	Paperlinx SPS	155	0.2
IANG	Perpetual Reset Exchangeable Notes	1,496	1.9
RHCPA	Ramsay Health Care Ltd - Convertible Equity Securities	1,985	2.5
SVWPA	Seven Group Holdings Limited - Convertible Redeemable Preference Securities	1,881	2.4
SAKHA	SouthernCross Airports Corp. Holdings SKIES	846	1.1
SBKPA & PB	Suncorp Metway Limited Convertible Preference Shares	2,736	3.5
WCTPA & PB	Westpac Tps Trust Convertible Preferred Securities	2,668	3.4
WOWHB	Woolworths Limited - Perpetual Notes	2,297	2.9
		34,613	43.7
	Large Industrial (Top 50)		
IAG	Insurance Australia Group Ltd	226	0.3
QBE	QBE Insurance Group Limited	86	0.1
TLS	Telstra Corporation Limited	2,492	3.1
		2,804	3.5

* Includes market value of options written against holdings

Portfolio shareholdings at 30 June 2011 (continued)

ASX code	Security	Market Value $'000	% of portfolio
	Materials & Energy		
AMC	Amcor Limited	65	0.1
BHP	BHP Billiton Ltd	12,873	16.5
BTU	Bathurst Resources Limited	367	0.5
NCM	Newcrest Mining Limited	435	0.5
ORG	Origin Energy Ltd	171	0.2
RIO	Rio Tinto Limited	133	0.2
STO	Santos Limited	1,029	1.3
WHC	Whitehaven Coal Limited	117	0.1
WPL	Woodside Petroleum Limited	668	0.8
		15,858	20.2
	Property Trusts		
CPA	Commonwealth Property Office Fund	676	0.9
DXS	Dexus Property Group	319	0.4
IOF	ING Office Fund	226	0.3
MGR	Mirvac Group	492	0.6
		1,713	2.2
	Utilities & Infrastructure		
AIO	Asciano Limited	158	0.2
CIF	Challenger Infrastructure Fund	429	0.5
DUE	DUET Group Securities & Warrants	1,360	1.7
HDF	Hastings Diversified Utilities Fund	470	0.6
SPN	SP AusNet	118	0.1
SKI	Spark Infrastructure Group	659	0.8
		3,194	3.9
	Small Industrial (ex Top 50)		
EGP	Echo Entertainment Group Limited	49	0.1
NHR	National Hire Group Limited	238	0.3
		287	0.4
	Cash and Term Deposit	6,249	7.9
	Total	79,227	100.00

* Includes market value of options written against holdings

In respect of the financial year ended 30 June 2011, the directors of the Company submit the following report together with the financial report of Ironbark Capital Limited ("the Company").

Directors in office at any time during or since the end of the financial year and up to the date of this report are:

	Period of directorship
M J Cole (Chairman)	Appointed 31/10/2002 to current
R J Finley	Appointed 30/01/1987 to current
I J Hunter	Appointed 31/10/2002 to current

The directors have been in office since the start of the financial year to the date of this report.

Principal Activities

The principal activity of the Company during the year was investment in securities listed on the Australian Stock Exchange.

Dividends Paid or Recommended

Details of dividends in respect of the current year are as follows:

	2011 $'000	2010 $'000
Interim Ordinary Dividend of 1.5c per share paid on 15th March 2011	2,124	-
Interim Ordinary Dividend of 2.0c per share paid on 21st September 2010	2,831	-
Interim Ordinary Dividend of 1.2c per share paid on 12th March 2010	-	1,705
Interim Ordinary Dividend of 1.3c per share paid on 4th November 2009	-	1,848
Interim Ordinary Dividend of 1.2c per share paid on 20th August 2009	-	1,705

Operating Results and Review of Operations for the year

Gain before income tax expense	10,258	7,787
Income tax expense	(2,382)	(1,856)
Gain after income tax expense	7,876	5,931

The net tangible asset backing of the Company as at 30 June 2011 was 56.4 cents per share excluding the deferred tax asset on unrealised investment losses (2010: 53.5 cents per share).

Financial Position

The net assets of the company have increased by $2,838,000 from 30 June 2010 to $80,342,000 in 2011. This increase has largely resulted from appreciation in the trading portfolio due to general rises in investment markets.

	2011	2010
Earnings per share		
Basic and diluted gain per share (cents per share)	5.57	4.17

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Share buy-back

A special resolution was passed at the General Meeting held on 21st July 2011 where the Constitution of the company will be entrenched with a requirement (to the extent permissible by law) for the Directors to take steps to implement a transaction under which Ironbark will offer to buy-back up to all of its Shares through an off-market tender process with effect on or around 30 June 2015 at a price equal to the net tangible asset backing of the shares at the time, after deduction of transaction costs associated with the transaction and, if determined by the Directors, costs to wind-up Ironbark following completion of the transaction.

After Balance Date Events

Other than the outcome of the 21st July 2011 General Meeting outlined above, no matter or circumstance has arisen since 30 June 2011 to the signing date of this report that has significantly affected, or may significantly affect:

(a) the Company's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the Company's state of affairs in future financial years.

Environmental Issues

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

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

Future developments, Prospects and Business Strategies

The Company will continue to pursue its investment objectives for the long term benefit of the members. This will require continual review of the investment strategies that are currently in place and may require changes to these strategies to maximise returns.

Information on Directors

Director	Experience	Special responsibilities	Particulars of directors' interest in shares of the company
Michael J Cole B.Ec, M.Ec Sydney, F Fin	Investment manager Investment banker	Chairman	8,000,000
Ross J Finley B.Comm NSW	Investment banker Stockbroker		1,400,000
Ian J Hunter B.A, LLB Sydney, MBA MGSM	Banking and finance	Audit Committee Chairman	1,662,448

Other current directorships

Ross J Finley is a Director of Century Australia Investments Ltd.

Ian Hunter is a Director of Rubic Financial Limited.

Michael Cole is the Chairman of Platinum Asset Management Limited; Chairman, IMB Ltd; Director, NSW Treasury Corp; Chairman, Challenger Listed Investments Ltd.

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

Meetings of Directors of the Company

The following table sets out the numbers of meetings of the Company's directors held during the year ended 30 June 2011, and the numbers of meetings attended by each director of the Company:

	Board meetings		Audit Committee meetings	
	Number of meetings held	Meetings attended	Number of meetings held	Meetings attended
Michael J Cole	4	4	2	2
Ross J Finley	4	4	2	2
Ian J Hunter	4	4	2	2

	Remuneration Committee meetings		Nomination Committee meetings	
	Number of meetings held	Meetings attended	Number of meetings held	Meetings attended
Michael J Cole	1	1	1	1
Ross J Finley	1	1	1	1
Ian J Hunter	1	1	1	1

Company Secretary

Mr Peter Roberts is a member of the Institute of Chartered Accountants and is the Company Secretary for a number of Listed Investment Companies.

Remuneration Report and Policy

The Board determines the remuneration structure of Non-Executive Directors (based on the recommendation of the Remuneration Committee), having regard to the scope of the Company's operations and other relevant factors including the frequency of Board meetings as well as directors' length of service, particular experience and qualifications. The Board makes a recommendation to shareholders as to the level of Non-Executive Directors remuneration which is then put to shareholders at the Annual General Meeting for approval.

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

Directors' benefits

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

Options

No options over issued shares or interests in the Company were granted during the financial year and there were no options outstanding at the end of this report.

Audit committee

The Audit Committee consists of Mr Ian Hunter, Mr Michael Cole and Mr Ross Finley. The Chairman is Mr Ian Hunter, who is not the Chairman of the Board.

Company Executives' Remuneration
For the year ended 30 June 2011

Name of directors	Base fee $	Superannuation $	Total $
Ross J Finley	20,000	-	20,000
Michael J Cole (Chairman)	20,000	-	20,000
Ian J Hunter	20,000	-	20,000
	60,000	-	60,000

For the year ended 30 June 2010

Name of directors	Base fee $	Superannuation $	Total $
Ross J Finley	20,000	-	20,000
Michael J Cole (Chairman)	20,000	-	20,000
Ian J Hunter	20,000	-	20,000
	60,000	-	60,000

Directors are paid a maximum remuneration of $20,000 each per annum.

Mr Peter Roberts, Company Secretary, is a shareholder and employee of White Outsourcing Pty Ltd. During the year White Outsourcing Pty Ltd received fees of $67,003 (2010: $65,721) for the administration of the Company, out of which costs of accounting, administration and Company Secretarial are paid.

Insurance of directors

During the year ended 30 June 2011, the Company paid liability insurance premiums relating to directors' insurance. The Directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the directors' and officers' liability and legal expense's insurance contracts, as such disclosure is prohibited under the terms of the contract.

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 any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought against or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-Audit Services

The Directors of the Company are satisfied that the general standard of independence for auditors imposed by the Corporations Act 2001 has been met as there has been no provision of non-audit services by the external auditor.

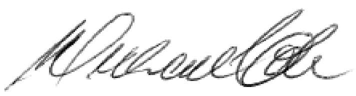
Rounding of amounts

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investment Commission, relating to the "rounding off" of amounts in the directors' report and financial statements to the nearest $1,000 or in certain cases to the nearest dollar. Amounts have been rounded off in the directors' report and financial statements in accordance with this class order.

Auditor's Independence Declaration

Independence declaration for the year ended 30 June 2011 has been received and can be found on page 18.

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



M J Cole
Director

Dated at Sydney this 26th August 2011

Auditor's Independence Declaration

Ironbark Capital Limited
ABN 89 008 108 227
Statement of comprehensive income
For the year ended 30 June 2011

	Notes	2011 $'000	2010 $'000
Investment income from trading portfolio			
Revenue from trading portfolio	3	4,231	3,238
Net unrealised gains in the net fair value of investments		3,784	5,545
Realised gains/(loss) on sale of investments		3,201	(158)
Total investment income from trading portfolio		11,216	8,625
Other income			
Other income		9	61
Total other income		9	61
Total income		11,225	8,686
Expenses			
Investment manager's fees		(521)	(504)
Audit fees	4	(34)	(28)
Share registry fees		(70)	(67)
Directors fees		(60)	(60)
ASX listing and other fees		(35)	(34)
Accounting and company secretarial fees		(67)	(66)
Custody fees		(30)	(23)
Mailing fees		(3)	-
Tax fees		(16)	(10)
Legal fees		(16)	(5)
Brokerage expense		(50)	(31)
Futures and options expenses		(34)	(46)
Other (including insurances)		(31)	(25)
Total expenses		(967)	(899)
Profit before income tax expense		10,258	7,787
Income tax expense	5(a)	(2,382)	(1,856)
Profit after income tax expense attributable to members of Ironbark Capital Limited		7,876	5,931
Other comprehensive income		-	-
Total comprehensive income		7,876	5,931
		Cents	**Cents**
Basic and diluted earnings per share	18	5.57	4.17

The above Statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

Ironbark Capital Limited
ABN 89 008 108 227
Statement of financial position
As at 30 June 2011

	Notes	2011 $'000	2010 $'000
Current assets			
Cash assets	12(b)	6,249	16,236
Trade and other receivables	6	496	459
Trading portfolio (held for trading)	7	72,978	57,543
Current tax assets	5(f)	13	17
Other	8	22	19
Total current assets		79,758	74,274
Non- current assets			
Deferred tax assets	5(e)	959	3,341
Total non-current assets		959	3,341
Total assets		80,717	77,615
Current liabilities			
Trade and other payables	9	374	105
Current tax liabilities	5(c)	-	-
Total current liabilities		374	105
Non-current liabilities			
Deferred tax liabilities	5(d)	1	6
Total non-current liabilities		1	6
Total liabilities		375	111
Net assets		80,342	77,504
Equity			
Contributed Equity	10	80,156	80,239
Retained earnings/(Accumulated losses)	11	186	(2,735)
Total equity		80,342	77,504

The above Statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

Ironbark Capital Limited
ABN 89 008 108 227
Statement of changes in equity
For the year ended 30 June 2011

	Share Capital	Retained Earnings	Total
	$'000	**$'000**	**$'000**
Balance at 1 July 2009	**80,442**	**(3,408)**	**77,034**
Profit for the period	-	5,931	5,931
Other comprehensive income for the year	-	-	-
Total comprehensive income for the period	-	5,931	5,931
Dividends paid	-	(5,258)	(5,258)
Buy back of shares	(203)	-	(203)
Balance at 30 June 2010	80,239	(2,735)	77,504
Profit for the period	-	7,876	7,876
Other comprehensive income for the year	-	-	-
Total comprehensive income for the period	-	7,876	7,876
Dividends paid	-	(4,955)	(4,955)
Buy back of shares	(83)	-	(83)
Balance at 30 June 2011	80,156	186	80,342

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

Ironbark Capital Limited
ABN 89 008 108 227
Statement of cash flows
For the year ended 30 June 2011

	Notes	2011 $'000	2010 $'000
Cash flows from operating activities			
Proceeds from sale of trading portfolio		46,907	36,716
Purchase of trading portfolio		(55,153)	(30,664)
Dividends & trust distributions received		3,997	2,929
Interest received		197	308
Other income received		9	61
Investment manager's fees paid		(518)	(503)
Income tax paid		-	-
Other expenses paid		(365)	(402)
Net cash provided by/(used in) operating activities	12(a)	(4,926)	8,445
Cash flows from financing activities			
Share buy back		(106)	(240)
Dividends paid		(4,955)	(5,258)
Net cash used in financing activities		(5,061)	(5,498)
Net increase /(decrease) in cash held		(9,987)	2,947
Cash at the beginning of the financial year		16,236	13,289
Cash at the end of the financial year	12(b)	6,249	16,236
Non-cash financial activities			
Dividends paid by DRP		-	-
		-	-

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

1 Reporting Entity

Ironbark Capital Limited is a company domiciled in Australia. The Company's registered office is Level 7, 20 Hunter Street, Sydney NSW, 2000 . The Financial Statements of Ironbark Capital Limited are for the year ended 30 June 2011. The company is primarily involved in making investments and deriving revenue and investment income from listed securities and unit trusts in Australia.

2 Summary of Significant Accounting Policies

(a) Basis of Accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The financial statements cover Ironbark Capital Limited which is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis, with the exception of valuation of investments as described in Note 2(b) below.

The Statements are prepared from the records of the Company on an accrual basis and are based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has applied. The directors revalue the trading portfolio on a daily basis.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(b) Trading portfolio

(i) Classification

The trading portfolio comprises securities held for short term trading purposes, including exchange traded option contracts that are entered into, as described in Note 2(c) below. The purchase and the sale of securities are accounted for at the date of trade. Trade date accounting is adopted for financial assets that are delivered within timeframes established by market place convention.

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

2 Summary of Significant Accounting Policies (Continued)

(ii) Recognition

Financial instruments incorporating financial assets and financial liabilities are initially measured at fair value on trade date, which excludes transaction costs on trade date, where the related contractual rights or obligations exist. Transaction costs are expensed to the profit and loss immediately. Trade date accounting is adopted for financial assets that are delivered within time frames established by market place conventions. Subsequent to initial recognition these instruments are measured as set out below.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period which they arise and are transferred to the asset revaluation reserve net of the potential tax charges that may arise from the future sale of the investments.

(iii) Valuation of Trading Portfolio

Securities are classified as held for trading financial assets as acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB139: Recognition and Measurement of Financial Instruments.

(iv) Valuation of options written portfolio

Options are initially brought to account at the amount received upfront for entering the contract (the premium) and subsequently revalued to current market value. Increments and decrements are taken through the statement of comprehensive income.

(v) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis unless the distributions are capital returns on ordinary shares in which case the amount of the distribution is treated as an adjustment to the carrying value of the shares.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is repurchased from the holder. All unrealised gains or losses which represents movements in the market value of the options are recognised through the statement of comprehensive income.

Interest revenue on listed securities is recognised on the ex date, taking into account the effective yield on the financial asset. Interest revenue on cash deposits is recognised as it accrues.

(vi) Unrealised gains and losses

The unrealised gains and losses are transferred to the unrealised profits and losses reserve to the extent the Company is in a net unrealised gain position, net of any potential tax charge that may arise from the future sale of trading portfolio. The balance in the unrealised profit and losses reserve is equal to the cumulative after tax unrealised gains on trading portfolio.

(vii) Determination of Fair Value

AIFRS defines fair value for the purpose of valuing holdings of securities that are listed or traded on an exchange to be based on quoted "bid" prices for securities prevailing at the close of business on the balance date. AASB 139 and AG72 states that the current bid price is usually the appropriate price to be used in measuring the fair value of actively traded financial assets. Financial assets should be valued at their fair value without any deduction for transaction costs that may be incurred on sale or other disposal. Certain costs in acquiring investments, such as brokerage and stamp duty are expensed in the statement of comprehensive income.

(c) Current Assets - Trading Portfolio

The Company enters into option contracts in the trading portfolio for the purpose of enhancing returns, offsetting risk or providing opportunities to acquire or sell securities at advantage prices.

As at balance date there were call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of $1.4 million (30 June 2010: $0.8 million) held by the Company in its trading portfolio.

2 Summary of Significant Accounting Policies (Continued)

(d) Income to Pay Dividends

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

It is the Directors’ policy to only pay fully franked dividends and to distribute the majority of franking credits received each year. Franking credits are generated by receiving fully franked dividends from shares held in the Company's investment portfolio, and from the payment of corporate tax on its other investment income, namely share option premiums, unfranked income and net realised gains.

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

(e) Taxation

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax assets can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective assets and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Trading Portfolio

A tax provision is made for the unrealised gain or loss on securities valued at fair value through the statement of comprehensive income.

Where the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any losses carried forward.

2 Summary of Significant Accounting Policies (Continued)

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

For the purposes of the Statement of cash flows, cash includes deposits held at call with financial institutions net of bank overdrafts.

(g) Trade and Other Receivables

Trade and other receivables may include amounts for dividends, interest and securities sold. Dividends and distributions are brought to account when the Company's right to receive a dividend is established. Interest revenue is recognised as it accrues taking into account the effective yield on the financial asset. Amounts received for securities sold are recorded when a sale has occurred. Amounts are generally received within 30 days of being recorded as a receivable.

(h) Revenue Recognition

• Trading Income - profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the statement of comprehensive income in the year they are incurred.

• Dividend Income - dividends and distributions are brought to account when the right to receive a dividend has been established.

• Interest Income - interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

• Other Income - other revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

(i) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid at the reporting date. Payables are unsecured and are usually paid within 30 days of recognition.

(j) Derivative Financial Instruments

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

(k) Earnings/(Loss) per share

Basic and diluted earnings/(loss) per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial year, adjusted for any bonus element.

(l) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance sheet are shown inclusive of GST. Cash flows are presented in the Statement of cash flows on a gross basis. The GST components of cash flows arising from investing activities which are recoverable from/or payable to the ATO are classified in the cash flows from operating activities.

(m) 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.

2 Summary of Significant Accounting Policies (Continued)

(n) Adoption of new and revised accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2011 reporting period. The Responsible Entity's assessment of the impact of these standards (to the extent relevant to the Fund) and interpretations is set out below:

(i) AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010 Amendment to Australian Accounting Standards arising from AASB9 (December 2010) (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. AASB 9 permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not traded. The Fund has not yet decided when to adopt AASB 9. However, the Responsible Entity does not expect this will have a significant impact on the Fund's financial statements as the Fund does not hold any available-for-sale investments.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Fund will apply the amended standard from 1 July 2011. The amendments will not have any effect on the Fund's financial statements.

(iii) AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

In November 2010, the AASB issued AASB 2010-6 Disclosures on Transfers of Financial Assets which amends AASB 1 First-time Adoption of Australian Accounting and AASB 7 Financial Instruments: Disclosures to introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. The amendments will not have any impact on the Fund's disclosures. The Fund intends to apply the amendment from 1 July 2011.

(iv) Amendments to AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective for annual reporting periods beginning on or after 1 July 2010 / 1 January 2011)

In June 2010, the AASB made a number of amendments to Australian Accounting Standards as a result of the IASB's annual improvements project. The Fund does not expect that any adjustments will be necessary as the result of applying the revised rules.

(v) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Company is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

(vi) AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The Company will apply the amendment from 1 July 2012. It is currently evaluating the impact of the amendment.

(o) Functional and presentation currency

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

(p) Operating segments

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

2 Summary of Significant Accounting Policies (Continued)

(q) Fair value of financial assets and liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value. The fair value for assets that are actively traded on market is defined by AASB 139 as 'last bid price'.

(r) Critical accounting estimates and judgements

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

The Company has recognised deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. There are some concerns that the entity may fail to satisfy the continuity of ownership test and therefore has to rely on the same business test. If the entity fails to satisfy the test, carried forward losses of $563,379 that are currently recognised as deferred tax asset would have to be written off to income tax expense.

		2,011 $'000	2,010 $'000
3	**Revenue from trading portfolio**		
	Dividends and trust distributions	4,049	2,928
	Interest	182	310
		4,231	3,238
4	**Auditor's remuneration**		
	Amounts received and receivable, by the auditor of the company for:		
	MNSA Pty Ltd Auditing or reviewing the accounts	30	24
	PWC Audit report of Custodian statement	4	4
		34	28
5	**Income tax expense**		
(a)	**Income Tax expense recognised in the Statement of comprehensive income**		
	Current income expense	1,291	2,336
	Deferred tax expense/(income) relating to the origination and reversal of temporary differences	1,091	(480)
	Total income tax expense	2,382	1,856
(b)	**Income tax expense**		
	The prima facie income tax expense on pre-tax accounting profit reconciles to income tax expense as follows:		
	Prima facie income tax expense calculated at 30% on the operating profit	3,077	2,336
	Imputation gross up on dividends received	295	216
	Franking credits on dividends received	(983)	(719)
	Temporary differences	(49)	236
	Over provision in prior year	(27)	-
	Realised taxable investment loss	(960)	(260)
	Realised accounting investment gain	1,029	47
	Income tax expense	2,382	1,856
	The applicable weighted average effective tax rates are as follows:	23.22%	23.83%

		2011	2010
5	**Income tax expense (Continued)**	**$'000**	**$'000**
(c)	**Current tax liabilities**		
	Income tax payable	-	-
(d)	**Deferred tax liabilities**		
	Provision for deferred income tax comprises the estimated expense at current income tax rates of 30% on the following items:		
	Interest	1	6
(e)	**Deferred tax assets**		
	Provision for deferred tax assets comprises the estimated benefit at current income tax rates of 30% on the following item:		
	Provision for income tax on unrealised investments	395	1,487
	Excess franking credits not deductible in current year	-	1,663
	Carry forward losses	564	191
		959	3,341

		2011	2010
		$'000	**$'000**
(f)	**Current tax assets**		
	Current tax assets comprises the estimated expense at current income tax rates on the following items:		
	Expenses not deductible in current year	13	17
(g)	**Reconciliation**		
	The overall movement in the deferred tax account is as follow:		
	Opening balance	3,352	5,208
	(Charges)/credit to statement of comprehensive income	5	44
	Changes to equity	(2,386)	(1,900)
	Closing balance	971	3,352
6	**Trade and other receivables**		
	Current		
	Accrued interest and dividends	496	459
		496	459

Receivables are non-interest bearing and unsecured.

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

		2011	2010
7	**Trading portfolio**		
	Listed equities at fair value	66,940	50,610
	Listed property trusts at fair value	1,712	1,835
	Floating rate notes at fair value - listed	4,326	5,098
		72,978	57,543

The fair value of the trading portfolio equals to the market value of the trading portfolio.

Credit risk exposures of the Company arise in relation to floating rate notes to the extent of their carrying values, in the event of a shortfall on winding up the issuing Companies.

Term deposits are held with St George Bank which is rated A -1 by Standard and Poors.

		2011	2010
8	**Other Assets**		
	Current		
	GST receivable	18	15
	Prepayments	4	4
		22	19

	2011 $'000	2010 $'000
9 Trade and other payables		
Current		
Trade creditors	119	83
Unsettled trades	255	-
Unsettled on-market share buy back	-	22
	374	105

Payables are non-interest bearing and unsecured.

Unsettled trades are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

10 Contributed Equity

	2011 No.'000	2011 $'000	2010 No.'000	2010 $'000
(a) Ordinary shares	141,560	80,156	141,751	80,239

(b) Movements in ordinary contributed equity of the company were as follows:

	2011 No.'000	2011 $'000	2010 No.'000	2010 $'000
Opening balance 1 July	141,751	80,239	142,223	80,442
Bought back under on-market share buy back	(191)	(83)	(472)	(203)
Closing balance	141,560	80,156	141,751	80,239

On market Share Buy Back

For financial year ended 30 June 2011, the Company bought back 190,978 (2010: 472,212) shares under an on market share buy back.

Dividend reinvestment plan

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

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of winding up the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

(c) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor and market confidence.

To achieve this the Board of Directors monitor the monthly NTA results, investment performance, the Company's management expense ratio (MER) and share price movements.

There were no additional shares issued during the financial year.

The Company announced to the market in November 2009 the introduction of an on-market share buy-back of approximately 10% of the Company shares, to be conducted over a 12 month period, details of shares bought back are included in note 10 (b).

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

11 Retained Earnings

	2011 $'000	2010 $'000
Balance at the beginning of the financial year	(2,735)	(3,408)
Net profit/(loss) for the current year	7,876	5,931
	5,141	2,523
Dividends paid and payable	(4,955)	(5,258)
Balance at the end of the financial year	186	(2,735)

12 Statement of cash flows

	2011 $'000	2010 $'000
(a) Reconciliation of net profit from ordinary activities after income tax to net cash utilised in operating activities		
Gain from ordinary activities after income tax (expense)/benefit	7,876	5,931
Unrealised (gains) in the net fair value of investments	(3,784)	(5,545)
Realised (gains)/losses on sale of investments	(3,201)	158
Change in operating assets and liabilities:		
(Increase)/decrease in accrued interest and dividends	(37)	(1)
(Increase)/Decrease in other current assets	(3)	3
(Increase)/decrease in trading portfolio	(8,195)	6,084
Increase/(Decrease) in trade creditors	37	(41)
Increase/(Decrease) in tax liabilities	2,381	1,856
Net cash provided by/(used in) operating activities	(4,926)	8,445
(b) Components of cash		
Cash at bank	6,249	16,236

The credit risk of the Company in relation to cash is the carrying amount and any unpaid interest. Cash investments are made with JP Morgan which is rated AA-/A-1+ by Standards & Poors.

13 Dividends

	Date of payment	2011 $'000	2010 $'000
Interim Dividend - Fully franked	15/03/2011	2,124	-
Interim Dividend - Fully franked	21/09/2010	2,831	-
Interim Dividend - Fully franked	12/03/2010	-	1,705
Interim Dividend - Fully franked	4/11/2009	-	1,848
Interim Dividend - Fully franked	20/08/2009	-	1,705

Franking Account	**2011 $'000**	**2010 $'000**
Opening balance of franking account	1,617	3,152
Franking credits on dividends received	983	719
Tax paid / received during the year		
Franking credits on ordinary dividends paid	(2,123)	(2,254)
Closing balance of franking account	477	1,617
Adjustments for tax payable/refundable in respect of the current year's profits and the receipt of accrued dividends	152	123
Impact on the franking account of dividends proposed or declared before the financial report authorised for issue but not recognised as a distribution to equity holders during the year		(1,213)
	629	527

No unfranked dividends have been declared or paid during the year.

14 Related party information

(a) Key management personnel

The names of the persons who were the key management personnel of the Company during the financial year were:

Michael J Cole (Chairman, Director)
Ross J Finley (Director)
Ian J Hunter (Director)

(b) Key management personnel remuneration

Details of the remuneration of Ironbark Capital key management personnel and their related entities is set out as below:

	Short-term Employee Benefit	Post-Employment Benefit	Other Benefit	
	Cash Salary & Fees $	Superannuation $	Other $	Total $
2011	60,000	-	-	60,000
2010	60,000	-	-	60,000

Detailed remuneration disclosures are provided in the remuneration report in the Directors' Report.

The Remuneration Committee of the Board of Directors of Ironbark Capital Ltd is responsible for determining and reviewing compensation arrangements for the directors. The remuneration Committee assesses the appropriateness of the nature and amount of emoluments of each director on a periodic basis by reference to workload and market conditions. The overall objective is to ensure maximum stakeholder benefit from the retention of a high quality board whilst constraining costs.

(c) Shareholdings of key management personnel (and their related entities)

2011	**Balance at 1 July 2010**	**Shares acquired / (disposed)**	**Balance at 30 June 2011**
Ordinary Shares			
Michael J Cole (Chairman)	7,983,737	16,263	8,000,000
Ross J Finley	1,400,000	-	1,400,000
Ian J Hunter	1,662,448	-	1,662,448
	11,046,185	16,263	11,062,448

2010	**Balance at 1 July 2009**	**Shares acquired / (disposed)**	**Balance at 30 June 2010**
Ordinary Shares			
Michael J Cole (Chairman)	7,983,737	-	7,983,737
Ross J Finley	1,400,000	-	1,400,000
Ian J Hunter	1,662,448	-	1,662,448
	11,046,185	-	11,046,185

Directors' transactions on ordinary shares are on the same terms and conditions applicable to ordinary members. There were no shares granted during the reporting period as compensation.

15 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.

16 Financial risk management

The Company's financial instruments consist mainly of deposits with banks, trading portfolio, accounts receivable and payables. The Company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

(i) Credit risk

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

Credit risk is managed as provided in Note 6 with respect to receivables, Note 7 with respect to floating rate note investments and Note 12 with respect to cash assets. None of these assets are over-due or considered to be impaired.

(ii) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Investment Manager monitors its cash flow requirements daily in relation to the trading account taking into account upcoming dividends, tax payments and trading activity.

The Company's inward cash-flows depend upon the level of dividend and distribution revenue received. Should these decrease by a material amount, the Company would amend its outward cash-flows accordingly. As the Company's major cash outflows are the purchase of securities and dividends paid to shareholders, the level of both of these is managed by the Board and Investment Manager.

Furthermore, the assets of the Company are largely in the form of readily tradeable securities which can be sold on-market if necessary.

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

	Less than 1 month $000	**More than 1 month**	**Total**
At 30 June 2011	$'000	$'000	
Trade and other payables	374		374
Current tax liabilities	-	-	-
Total financial liabilities	374	-	374
At 30 June 2010			
Trade and other payables	105	-	105
Current tax liabilities	-	-	-
Total financial liabilities	105	-	105

The Fund does not have net settled derivative financial instruments in a loss position.

(iii) Interest rate risk

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

Sensitivity analysis - interest rate risk

An increase of 75 basis points in interest rates as at the reporting date (assuming a flat tax rate of 30 per cent) would have increased the Company's equity and revenue from trading portfolio by $32,807 (2010: $85,239). A decrease of 75 basis points would have an equal but opposite effect.

16 Financial risk management (Continued)

(iv) Market risk

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

By its nature as a Listed Investment Company that invests, the Company can never be free of market risk as it invests its capital in securities which are not risk free - the market price of these securities can fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio would lead to a reduction in the Company's equity of $2.6 million (2010: $2.0 million) and $5.1 million (2010: $4.0 million) respectively, assuming a flat tax-rate of 30 per cent.

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

The Company's investment sector as at 30 June is as below:

	2011	2010
	%	%
Consumer discretionary	0.07	0.67
Consumer staple	0.00	0.38
Energy	2.72	2.82
Financials	55.14	45.25
Healthcare	2.72	2.48
Industrials	4.28	2.50
Materials	19.22	27.35
Property Trust	2.35	3.19
Telecommunications services	3.41	2.06
Utilities	4.16	4.44
Corporate floating rate notes	5.93	8.86
	100.00	100.00

Securities representing over 5 per cent of the investment portfolio at 30 June 2011 were:

	%
BHP Billiton Ltd	9.70
	9.70

No other security represents over 5 per cent of the Company's trading portfolio.

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

16 Financial risk management (Continued)

(v) Derivative financial instruments

A derivative is a financial contract whose value depends on, or is derived from, underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps.

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

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

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

The Company holds the following derivative instruments:

Options

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

As at 30 June 2011, the notional principal amounts of derivatives held by the Company were as follows:

	Notional principal amounts 2011 $'000	Notional principal amounts 2010 $'000
Australian exchange traded options	1360	843

Fair value hierarchy

The Company has adopted the amendments to AASB 7, effective 1 July 2009. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

16 Financial risk management (Continued)

Fair value hierarchy (continued)

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy.

At 30 June 2011	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trading portfolio (held for trading)	72,978	-	-	72,978
Total	72,978	-	-	72,978

At 30 June 2010	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Trading portfolio (held for trading)	57,543	-	-	57,543
Total	57,543	-	-	57,543

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts and exchange traded derivatives.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The Company has no investments that are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they are infrequently traded. The Company has no investments that are classified within level 3.

17 Events after the Statement of financial position date

A special resolution was passed at the General Meeting held on 21 July 2011 where the Constitution of the company will be entrenched with a requirement (to the extent permissible by law) for the Directors to take steps to implement a transaction under which Ironbark will offer to buy-back up to all of its Shares through an off-market tender process with effect on or around 30 June 2015 at a price equal to the net tangible asset backing of the shares at the time, after deduction of transaction costs associated with the transaction and, if determined by the Directors, costs to wind-up Ironbark following completion of the transaction.

Other than the General Meeting outcome, no significant events have occurred since the reporting date which would impact on the financial position of the Company as disclosed in the Statement of Financial Position as at 30 June 2011 and the results and cash flows of the Company for the year ended on that date. The financial report was authorised for issue on 26th August 2011 by the board of directors.

18 Earnings per share

	2011	2010
Basic and diluted earnings/(loss) per share (cents per share)	5.57	4.17
Weighted average number of ordinary shares outstanding used in the calculation of basic earnings per share	141,566,636	142,100,336

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

19 Contingent liabilities

The Investment Management Agreement entered into by the company with Kaplan Funds Management states that either party will be entitled to give the other no less than 12 months written notice of termination of the

No other contingent liabilities existed at 30 June 2011.

20 Other information

Ironbark Capital Limited, incorporated and domiciled in Australia, is publicly listed and limited by shares.

The registered office and principal place of business of the Company is:
Level 7, 20 Hunter Street
Sydney NSW 2000
Telephone (02) 8236 7701

Ironbark Capital Limited
ABN 89 008 108 227
Directors' declaration

The Directors of Ironbark Capital Limited declare that:

1 The financial statements and notes, as set out on page 19 to page 36, are in accordance with the *Corporations Act 2001* , and:

(a) comply with Accounting Standards, which, as stated in accounting policy note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

(b) give a true and fair view of the financial position of the Company as at 30 June 2011 and of the performance for the year ended on that date;

2 On behalf of White Outsourcing Pty Limited, Peter Roberts, as a person who performs the Chief Executive Functions for the purposes of the Act declared that:

(a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(b) the financial statements and notes for the financial year comply with the Accounting Standards; and

(c) the financial statements and notes for the financial year give a true and fair view.

3 At the date of this declaration, in the Directors' opinion 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.

M J Cole
Director

Dated at Sydney this 26th August 2011

Ironbark Capital Limited
ABN 89 008 108 227
Members Information as at 23 August 2011

1. Shareholding

Substantial holders

Shareholders	**Number of shares held**
Kaplan Partners Pty Limited	31,267,051
Abtourk (Syd No 415) Pty Ltd <Michael John Cole Psf A/C>	4,944,706
Questor Financial Services Limited	5,612,053

Distribution of securities

(a) Analysis of number of holders by size of holding:

	Number of shareholders	**Number of shares held**
1 - 1,000	283	109,302
1,001 - 5,000	518	1,527,065
5,001 - 10,000	375	2,870,646
10,001 - 100,000	1,358	42,426,229
100,001 and over	164	94,626,283
	2,698	141,559,525

(b) There were 186 holders of less than a marketable parcel of shares.

(c) The percentage of total holding of the 20 largest holders of ordinary shares currently comes to 45.71%

Twenty largest holders

The names of the 20 largest holders as at 23 August 2011 are listed below:

Name	**Number of shares held**	**%**
KAPLAN PARTNERS PTY LIMITED	31,267,051	22.088
QUESTOR FINANCIAL SERVICES LIMITED <TPS RF A/C>	5,612,053	3.964
ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	4,944,706	3.493
EDSGEAR PTY LIMITED	3,217,996	2.273
MR ANTHONY GEOFFREY HARTNELL & MRS MARYED HARTNELL <HARTNELL RETIREMENT A/C>	3,111,858	2.198
ABTOURK (SYD NO 415) PTY LTD <MICHAEL JOHN COLE PSF A/C>	3,055,294	2.158
SUPENTIAN PTY LIMITED <HUNTER PENSION FUND A/C>	1,614,685	1.141
DOWLING TAYLER PTY LTD <COLE SUPERFUND A/C>	1,278,953	0.903
LIANGROVE MEDIA PTY LIMITED	1,250,000	0.883
BOND STREET CUSTODIANS LIMITED <MCGOL - DR0020 A/C>	1,195,018	0.844
BOND STREET CUSTODIANS LIMITED <MCGOL - I85157 A/C>	1,086,475	0.768
MICHELLE ANN ANG & HENG HOCK ANG <H H ANG SUPER FUND A/C>	909,030	0.642
BOND STREET CUSTODIANS LIMITED <MCGOL - TF0304 A/C>	864,803	0.611
BOND STREET CUSTODIANS LIMITED <MCGOL - I27406 A/C>	847,806	0.599
MR DAVID STRINGER HILTON	800,000	0.565
BOND STREET CUSTODIANS LIMITED <MCGOL - TT0575 A/C>	772,212	0.546
LIANGROVE GROUP PTY LTD	750,000	0.530
QUESTOR FINANCIAL SERVICES LIMITED <TPS PIP A/C>	727,988	0.514
COOLAL PTY LTD <FINLEY SUPER FUND A/C>	700,000	0.494
TOLMIN PTY LIMITED	700,000	0.494
	64,705,928	45.71

(d) Voting rights

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

2. The name of the Company Secretary is Mr Peter Roberts

3. The registered office and principal place of business of the Company is:
Level 7
20 Hunter Street
Sydney NSW 2000

Telephone: (02) 8236 7701

4. **Registry**
Share registry functions are maintained by Boardroom Pty Limited and their details are as follows:

GPO Box 3993
Boardroom Pty Limited
Sydney NSW 2001
Shareholder enquiries telephone: (02) 9290 9600

5. **Stock Exchange Listing**
Quotation has been granted for all ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6. The Company has followed all applicable best practice recommendations set by ASX Corporate Governance Council during the financial year.

7. The Company has used cash and assets in a form readily convertible to cash that it had at the time of admission consistent with its business objectives.

8. The company conducted 722 security transactions during the financial year. Brokerage paid during the year net of RITC claimable was $49,555.97.

9. The investment management agreement with Kaplan Funds Management Pty Limited provides for the payment of an investment management fee of 0.65% per annum. In the event that the investment return on the IBC portfolio exceeds the ASX300 index benchmark by a margin of 1% or more an additional performance fee of 15% of the performance (adjusted for the value of franking credits received or accrued during the financial year and after the deduction of the Management Fee and any applicable GST) of the Portfolio above the aggregate of the Benchmark plus 1% will be payable. The agreement contains a highwater mark in relation to the performance fee to protect the interests of investors.