

29 November 2019

## INVESTMENT UPDATE AND NET TANGIBLE ASSETS

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Further to the previous announcements in respect to the financial accounts, loan defaults and Takeover panel Orders, the new Board have updated Benjamin Hornigold Limited (Company or BHD) financial records.

There are a number of factors have been identified by the new Board that indicate that losses have been incurred:

- (1) The loan default notices issued by BHD to John Bridgeman Ltd (JBL) and JB Financial Group Pty Ltd (JBFG);
- (2) Christopher John MacDonnell of Restructuring Solutions and Andrew McCabe and Joseph Hayes of Wexted Advisors being appointed as receivers and managers by Partners For Growth (PFG) under its security over JBFG;
- (3) The Board feels that the Auditor opinions relating to a “Material uncertainty related to a going concern” for both JBL and JBFG in the 17-18 Annual Accounts have a significant impact on the carrying value of these assets; and
- (4) BHD also has a loan to John Bridgeman Limited of approximately \$1.1 Million. John Bridgeman Limited’s primary investments are (directly and indirectly) in JBFG.
- (5) The JBL unaudited consolidated Appendix 4E financial information for the year ended 30 June 2019 shows:
  - a. \$3.5m loss for the year and
  - b. decrease in Net Tangible Assets from \$0.58 per share in 2018 to \$0.12 per share in 2019.
  - c. JBL’s primary asset is JBFG (refer to point 2 above)

Following a review of the Books & Records of the company, Loan & Services Agreements, it has been determined that an adjustment is required **resulting in losses of \$4.450 million** (for the period to June 19) in respect of these assets. Further details are set out below:

- o JBFG Convertible Loan including interest – Approximately \$2.518 million;

- JBFG Unsecured Loan including interest– Approximately \$0.870 million (repayable 31<sup>st</sup> October 2019); and
- John Bridgeman Ltd Loan – Approximately \$1.062 million. John Bridgeman’s primary investments are (directly and indirectly) in JBFG.

(refer to ASX release dated 29 October 2019 and 23 October 2019 for further details)

Kings Currency Foreign Currency Banknotes – Approximately \$7.4 million including outstanding payments under the Service Agreement for June to September remain repayable under Takeover Panel Orders and have not been impaired.

The Board is mindful of its obligations to disclose a monthly Net Tangible Asset (NTA) and therefore provides the following unaudited NTA of the company:

	<b>30 June 2019</b>	<b>31 May 2019</b>
<b>NTA before tax</b>	<b>\$0.33</b>	<b>\$0.34</b>
Deferred tax asset on carried forward realised losses <sup>(1)</sup>	-	-
Deferred tax liability on unrealised income and gains <sup>(1)</sup>	-	-
<b>NTA after tax</b>	<b>\$0.33</b>	<b>\$0.34</b>
<b><i>Effect of asset losses on NTA after tax</i></b>		
NTA before asset losses	\$0.51	\$0.52
Asset losses	(\$0.18)	(\$0.18)
<b>NTA post \$4.45 million asset losses</b>	<b>\$0.33</b>	<b>\$0.34</b>

(1) The deferred tax asset and liabilities have been de-recognised due to the losses being incurred by the Company

(2) The Company has not restated prior periods NTAs, the new Board have reviewed the all assets since the last released NTA and their appointment on 16 June 2019.

(3) The impairment of these assets has no impact on the legal obligations of JBL or JBFG to repay the Company the full amounts outstanding.

Further monthly NTA announcements will follow on completion of the review of the company’s finances.

ENDS

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