



JOHN.BRIDGEMAN

Announcement

John Bridgeman Limited

ACN 603 477 185

15 March 2017

Interim Report and Financial Statements for the half year ended 31 December 2016

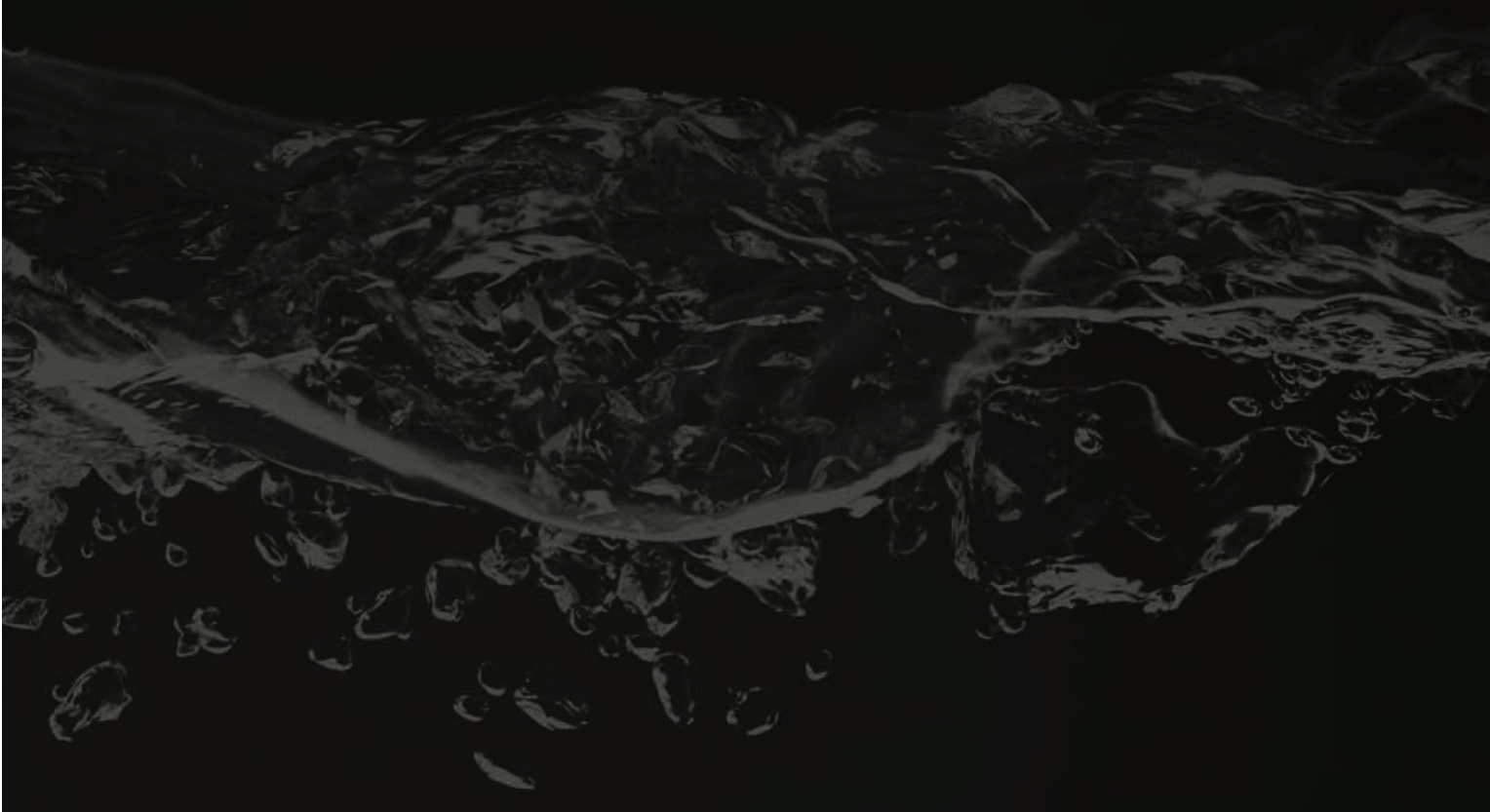
John Bridgeman Limited (NSX:JBL) hereby lodges its Interim Report for the half year ended 31 December 2016, incorporating the interim financial statements.

ENDS

Stuart McAuliffe
Managing Director
John Bridgeman Limited
stuart@johnbridgeman.com.au



JOHN.BRIDGEMAN



INTERIM FINANCIAL REPORT

FOR THE HALF YEAR ENDED 31 DECEMBER 2016

JOHN BRIDGEMAN LIMITED ACN 603 477 185

Consolidated Interim Financial Report for the half-year ended 31 December 2016

DIRECTORS' REPORT

The Directors present their report together with the consolidated interim financial statements of the Group comprising John Bridgeman Limited (the Company) and its subsidiaries for the half-year ended 31 December 2016, and the review report thereon.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report:

- Stuart McAuliffe – Managing Director
- John McAuliffe – Chairman and Non-Executive Director
- Rosario Patane – Non-Executive Director

Principal Activities

The principal activities of the Group during the half-year were, providing investment management services to Henry Morgan Limited and investing in unlisted public companies. Those unlisted public companies are focussing on:

- process serving, surveillance, as well as investigations, background screening and debugging security sweeps within Australia and New Zealand;
- preparing for operating as the master franchisee in Australia and New Zealand for the Johnny Rockets brand of restaurants;
- financial services including broking and currency exchange.

Operating and Financial Review

During the half-year ended 31 December 2016 the Group made a profit after tax of \$789,536 (2015: loss (\$386,949)). The major contributors to this result were gains made on financial instruments (shares) of \$1,594,789, professional services income of \$735,943 and fees and commission income of \$720,283.

Investment management services to Henry Morgan Limited commenced in January 2016 but the management fee to the Group in respect those management services did not commence until 1 July 2016.

The Group's investments during the half-year were predominately in its subsidiaries and associated companies. The majority of the Group's investments were in unlisted entities, however one of those entities, JB Financial Group Ltd, has announced that it intends to apply for listing on the Australian Securities Exchange in the near future.

There were no dividends declared during the half year ended 31 December 2016.

Changes in subsidiaries and associates

a) Bartholomew Roberts Ltd

During the half-year, the Company was issued an additional 461,861 shares in a Group subsidiary; Bartholomew Roberts Ltd (BRL), consisting of 147,417 shares at \$1.00, 100,000 shares at \$4.00 and, on 30 December 2016, 214,444 shares at \$9.00 per share.

BRL also issued 1,985,556 shares to sophisticated investors, including associated company Henry Morgan Limited (HML); 1,930,000 shares at \$1.00 and 55,556 at \$9.00.

The effect of the additional issues of shares in BRL was to decrease the Company's direct interest in BRL from 100% to 42.4%. HML increased its interest from nil to 36.4% and as at 31 December 2016, other external shareholders now hold 21.2%.

At the end of the half-year, the Company also had an indirect interest in BRL of 4.4% via its shareholding in HML. The Company's combined direct and indirect interest in BRL at 31 December 2016 was 46.8%, however BRL is still considered to be an entity controlled by the Company and BRL is included in this report as part of the Group.

Consolidated Interim Financial Report for the half-year ended 31 December 2016

Changes in subsidiaries and associates (continued)

b) BRL holds the following interests in the Group's other subsidiaries:

Risk and Security Management Limited (R&SM) - 59.2% (June 2016: 60%). R&SM operates the business of Trademark Investigation Services in Australia, which was acquired on 4 July 2016 and owns:

- 100% of IDS Group Pty Ltd (June 2016: 100%)
- 100% of Trademark Investigation Services (NZ) Ltd, which was acquired on 4 July 2016.

JB Financial Group Ltd (formerly JB Broking Ltd) (JBF) - 24.7%, incorporated on 11 July 2016. JBF is regarded as a subsidiary of the Group as a result of the combination of BRL's direct interest and the power the Company has by virtue of its role as Investment Manager to Henry Morgan Limited, which holds 35.5% of JBF. JBF owns:

- 100% of JB Markets Pty Ltd (formerly Aliom Pty Ltd), acquired 1 August 2016.
- 80.6% of Kings Currency Exchange Pty Ltd, acquired in two tranches late in 2016.
- 83.3% of Harnewei Pty Ltd, acquired in two tranches in late 2016.

JR Restaurants Australia Pty Ltd (JRR) - 100%. This subsidiary was incorporated on 7 July 2016 and has entered into an International Master Development Agreement with Johnny Rockets Licensing, LLC to act as Master Franchisee in Australia and New Zealand.

c) BRL also holds the following interests in Group associates:

Advance Group Holdings Pty Ltd (AGH) - 24%. AGH provides industry-leading repossession, process serving, floor plan audits, field calls, skip tracing and legal support services.

Growth Point Capital Limited (GPC) - 50%. GPC was incorporated on 23 August 2016 and has not commenced trading.

Dividends

There were no dividends declared during the half year ended 31 December 2016.

Subsequent Events

Other than the following, the directors are not aware of any significant events since the end of the interim period:

On 17 January 2017, the Company announced that a wholly owned subsidiary of Group member, Bartholomew Roberts Ltd, has entered into an agreement to form a joint venture with Shinsegae Food Inc., one of South Korea's leading food processing, manufacturing and distribution businesses. The agreement provides for the establishment of a 50-50 joint venture company in Korea which will aim to develop, operate, market and promote new food products in the Korean and broader Asian markets.

Effective 1 February 2017 the Group, via its subsidiary Risk and Security Management Ltd (R&SM), acquired an existing business called Yates Professional Investigations for consideration of \$350,000. The acquisition delivers to the Group an effective 25.1% interest in Yates.

On 15 February 2017, the Company converted all of the 594,937 listed options it held in Henry Morgan Limited (HML) into fully paid shares at the exercise price of \$1.00. The new shares were eligible to participate in the special dividend of \$0.20 per share paid by HML on 13 March 2017. The Company elected to participate in the Dividend Reinvestment Plan operated by HML in respect of the dividend and was issued 390,146 additional shares in HML in satisfaction of its dividend entitlement.

Consolidated Interim Financial Report for the half-year ended 31 December 2016

Subsequent Events (continued)

On 16 February 2017, the Company announced that it intends to launch a listed investment company, Benjamin Hornigold Ltd (BHL), and apply for its listing on ASX. The Company will act as investment manager for BHL.

Since the end of the interim period and up to the date of this report, the Company has issued 1,120,000 shares pursuant to the exercise of listed options, increasing paid up capital by \$1,232,000.

Since the end of the interim period and up to the date of this report, the Company had acquired 957,798 shares in ASX listed Hunter Hall International Limited (**HHL**) representing approximately 3.51% of the issued capital in HHL. The Company has also instructed its brokers to seek to acquire additional shares in HHL.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2016.

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



.....
Mr Stuart McAuliffe, Managing Director

Dated 15 March 2017



Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

To the Directors of John Bridgeman Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2016 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'Simon Crane'.

Simon Crane
Partner

Brisbane
15 March 2017

Consolidated Interim Financial Report for the half-year ended 31 December 2016**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		31 December 2016	31 December 2015
	Notes	\$	\$
Income			
Net profit / (loss) on financial instruments at fair value through profit or loss		1,594,789	(133,648)
Professional services income		735,943	-
Fee and commission income		720,283	-
Management fee income		616,831	-
Interest income		29,113	2,054
Share of profits of equity accounted investees		43,400	-
Other income		52,724	-
Total income		3,793,083	(131,594)
Expenses			
Commissions paid to investment brokers		(12,767)	(39,235)
Directors fees		(66,000)	(50,833)
Employee benefits expense		(1,331,784)	(13,140)
Insurance expense		(54,456)	-
Professional services fees		(500,933)	(153,966)
Rental expenses		(133,633)	-
Stock exchange listing and share registry associated costs		-	(150,427)
Travel expenses		(248,819)	-
Other expenses		(316,783)	(20,225)
Total expenses		(2,665,175)	(427,826)
Profit / (loss) before income tax		1,127,908	(559,420)
Income tax (expense) / benefit		(338,372)	172,471
Profit / (loss) for the half-year		789,536	(386,949)
Profit / (loss) for the half-year attributable to:			
Owners of the Company		1,000,526	(386,949)
Non-controlling interests		(210,990)	-
		789,536	(386,949)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences on foreign operations		1,347	-
Other comprehensive income for the period		1,347	-
Total comprehensive income / (loss) for the period		790,883	(386,949)
Total comprehensive income / (loss) attributable to:			
Owners of the Company		1,001,873	(386,949)
Non-controlling interests		(210,990)	-
		790,883	(386,949)
Earnings per share			
- Basic earnings per share (cents)	8	5.70	(3.13)
- Diluted earnings per share (cents)	8	4.60	(3.13)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Interim Financial Report for the half-year ended 31 December 2016**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016**

		31 December 2016	30 June 2016
	Notes	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,352,034	1,868,573
Currency held as stock		1,857,200	-
Financial assets held at fair value	9	3,577,369	2,089,250
Trade and other receivables		6,248,640	5,738,259
Prepayments		54,644	13,992
Term deposits		80,375	30,000
TOTAL CURRENT ASSETS		14,170,262	7,650,824
NON-CURRENT ASSETS			
Investments in equity accounted investees	7	1,043,450	-
Property, plant and equipment		843,777	5,681
Intangible assets	6	10,486,688	434,226
Deferred tax assets		156,879	405,113
TOTAL NON-CURRENT ASSETS		12,530,794	2,934,270
TOTAL ASSETS		26,701,056	10,585,094
LIABILITIES			
CURRENT LIABILITIES			
Payables		4,573,604	117,253
Provisions		146,852	38,330
Provision for income tax		483,081	-
TOTAL CURRENT LIABILITIES		5,203,537	155,583
NON-CURRENT LIABILITIES			
Payables		1,156,124	-
TOTAL NON-CURRENT LIABILITIES		1,156,124	-
TOTAL LIABILITIES		6,359,661	155,583
NET ASSETS		20,341,395	10,429,511
EQUITY			
Issued capital	5	10,033,968	10,033,968
Reserves		213,942	212,595
Retained earnings		(143,554)	(1,144,080)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		10,104,356	9,102,483
NON-CONTROLLING INTERESTS		10,237,039	1,327,028
TOTAL EQUITY		20,341,395	10,429,511

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Interim Financial Report for the half-year ended 31 December 2016**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Note	Share Capital	Accumulated losses	Reserves	Attributable to owners of the Company	Non- Controlling Interests (NCI)	Total
		\$	\$	\$		\$	\$
Balance at 1 July 2016		10,033,968	(1,144,080)	212,595	9,102,483	1,327,028	10,429,511
Comprehensive income							
Profit for the period		-	1,000,526	-	1,000,546	(210,990)	789,536
Other comprehensive income for the period		-	-	1,347	1,347	-	1,347
Total comprehensive income for the period		-	1,000,526	1,347	1,001,873	(210,990)	790,883
Transactions with owners of the Company							
Changes in ownership interests							
Change in NCI as a result of share issues and transfers in subsidiaries		-	-	-	-	8,680,900	8,680,900
Acquisition of subsidiaries with NCI		-	-	-	-	440,101	440,101
Total changes in ownership interests			-	-	-	9,121,001	9,121,001
Total transactions with owners of the Company		-	-	-	-	9,121,001	9,121,001
Balance at 31 December 2016		10,033,968	(143,554)	213,942	10,104,356	10,237,039	20,341,395
Balance at 1 July 2015		7,400	(212,595)	212,595	7,400	-	7,400
Comprehensive income							
Loss for the period		-	(386,949)	-	(386,949)	-	(386,949)
Total comprehensive loss for the period		-	(386,949)	-	(386,949)	-	(386,949)
Transactions with owners of the Company							
Shares issued during the period	5(a)	8,058,300	-	-	8,058,300	-	8,058,300
Costs associated with capital raising (net of tax)	5(a)	(104,713)	-	-	(104,713)	-	(104,713)
Total transactions with owners of the Company		7,953,587	-	-	7,953,587	-	7,953,587
Balance at 31 December 2015		7,960,987	(599,544)	212,595	7,574,038	-	7,574,038

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Interim Financial Report for the half-year ended 31 December 2016**CONSOLIDATED STATEMENT OF CASH FLOWS**

	31 December 2016 \$	31 December 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,124,835	-
Payments to suppliers and employees	(2,798,466)	(526,314)
Net proceeds from sale of investments	154,897	1,077,031
Payments for purchase of investments	-	(6,928,007)
Interest received	558	2,054
Net cash used in operating activities	(518,176)	(6,375,236)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial instruments held at fair value	1,000,000	-
Payments for purchase of financial instruments held at fair value	(48,227)	-
Payments for purchase of subsidiaries, net of cash acquired	(5,848,009)	-
Payment for purchase of intangible asset – franchisee licence	(1,161,903)	-
Payments for purchase of equity investments	(500,000)	(1,600,000)
Payments in respect of loans made	(940,000)	-
Payments for purchase of financial assets (term deposits)	(50,375)	-
Payments for purchase of property, plant and equipment	(129,849)	-
Net cash used in investing activities	(7,678,363)	(1,600,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares in the Company		8,058,300
Proceeds from issue of shares and transfers in subsidiaries	8,680,000	
Payments for issue of shares	-	(87,904)
Net cash provided by financing activities	8,680,000	7,970,396
Net decrease in cash held	483,461	(4,840)
Cash and cash equivalents at beginning of period	1,868,573	7,400
Cash and cash equivalents at end of period	2,352,034	2,560

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Interim Financial Report for the half-year ended 31 December 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

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Consolidated Interim Financial Report for the half-year ended 31 December 2016

NOTE 1 REPORTING ENTITY

John Bridgeman Limited (the Company) is a public company limited by shares, incorporated and domiciled in Australia. It is listed on the National Stock Exchange of Australia. These consolidated interim financial statements as at and for the half-year period ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the 'Group').

The consolidated annual financial statements of the Group, as at and for the year ended 30 June 2016, are available from the Company's registered office at Level 9, Riverside Centre, 123 Eagle Street Brisbane, QLD, 4000.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

These general purpose consolidated interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard 134: *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include all disclosures required in a full financial report. Accordingly, this financial report is to be read in conjunction with the annual financial report of the Group for the period ended 30 June 2016, together with any public announcements made during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial report has been prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated. The interim financial report of the Group is presented in Australian dollars, which is the Company's functional currency.

These consolidated interim financial statements were authorised for issue on 15 March 2017.

b. Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the following;

- Currency held as stock

Foreign currency is held in cash as part of the Kings Currency Exchange Pty Ltd business. The currency is accounted for at the Australian dollar equivalent based on the prevailing exchange rate at the close of business on the balance date.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the consolidated interim financial statements is either not relevant or not material.

NOTE 3 USE OF JUDGMENTS AND ESTIMATES

In preparing these consolidated interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Measurement of fair values

The fair value of quoted instruments are based on current bid prices. Factors considered in determining the fair value of these investments include, but are not limited to, market conditions, purchase price, nature of investment, estimation of liquidity value, subsequent equity financing involving third parties or a significant change in operating performance or potential resulting in a change in valuation, and other pertinent information.

Significant valuation issues are reported to the Board.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Consolidated Interim Financial Report for the half-year ended 31 December 2016**(a) Measurement of fair values (continued)**

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in Note 9 – financial instruments.

NOTE 4 OPERATING SEGMENTS

Operating segments are identified based on separate financial information which is regularly reviewed by the Managing Director and his immediate executive team (representing the Chief Operating Decision Maker) in assessing performance and determining the allocation of resources.

The Group operates in only one segment being the investment management segment. All results of the Group, as presented in this financial report, relate to this segment for the current and prior financial periods.

When the Group acquires investments in operating businesses the current management structure is retained to continue operation of the business, implement growth strategies and report to the Board of the Company at regular intervals. If an investment is made in a new business a new management structure is engaged to operate the business. This could include franchise or joint venture partners with experience in the type of business in which the Group is investing.

The Group operates materially in only one geographical segment being Australia.

NOTE 5 EQUITY SECURITIES ISSUED

	31 December 2016 Shares	31 December 2015 Shares	31 December 2016 \$	31 December 2015 \$
(a) Issues of ordinary shares during the half-year				
Opening balance - 1 July	17,563,300	-	10,033,968	-
6 August 2015 Prospectus issue.	-	6,042,000	-	6,042,000
21 December 2015 Placement of shares	-	2,016,300	-	2,016,300
Share issue costs	-	-	-	(104,713)
Closing balance – 31 December	17,563,300	8,058,300	10,033,968	7,953,587
	31 December 2016 Options	31 December 2015 Options		
(b) Issues of Options during the half-year				
Opening balance – 1 July	25,123,300	-		
6 August 2015 Issue of Options accompanying Prospectus issue.	-	6,042,000		
21 December 2015 Issue of options accompanying shares issued in a placement.	-	2,016,300		
Closing Balance – 31 December	25,123,300	8,058,300		

Consolidated Interim Financial Report for the half-year ended 31 December 2016**NOTE 6 INTANGIBLE ASSETS****6 (a) Movements in intangible assets during the half year ended 31 December 2016****2016**

	Goodwill	Franchisee licence	Total
\$	\$	\$	\$
Opening balance 1 July 2016	434,226		434,226
TMIS – Note 6(b), 4 July 2016	598,000	-	598,000
TMISNZ – Note 6(c), 4 July 2016	123,470	-	123,470
JBM – Note 6(d), 1 August 2016	150,000	-	150,000
Kings – Note 6(e), November and December 2016	5,695,283	-	5,695,283
Johnny Rockets master franchisee licence, 13 October 2016 ¹	-	3,485,709	3,485,709
Closing balance 31 December 2016	7,000,979	3,485,709	10,486,688

¹ The consideration for the master franchise agreement is payable in three instalments. The second and third instalments are payable 12 months and 24 months after the licence agreement date. \$1,156,122 is included in current payables and \$1,156,124 is included in non-current payables in respect of the second and third instalments respectively.

2015 – Nil

NOTE 6 INTANGIBLE ASSETS (continued)**6(b) Trademark Investigation Services business (TMIS)**

On 4 July 2016 the Group acquired an existing business called TMIS for \$522,712 via subsidiary Risk & Security Management Ltd (RSM). This business provides trademark investigative services. The Directors believe there is growth potential in the trademark investigation industry and TMIS provides access to this growing industry. TMIS also expands on, and complements, the suite of corporate investigative services available within the Group.

The provisional fair value of identifiable net assets and resulting goodwill is represented by:

	\$
Prepayment	90
Employee entitlement provisions	(75,378)
Net liabilities acquired	(75,288)
Consideration paid	522,712
Goodwill	598,000

No amount of goodwill is expected to be deductible for tax purposes. The goodwill is attributable mainly to the skills and technical talent of the workforce as well as the established reputation of TMIS.

The acquisition is recorded by including the assets and liabilities of the TMIS business into the balance sheet of RSM as the TMIS business was not an incorporated entity. There were no acquisition costs recognised as costs were categorised as normal operating costs of the Company.

TMIS contributed a loss of \$19,096 since acquisition.

Consolidated Interim Financial Report for the half-year ended 31 December 2016**6(c) Trademark Investigation Services (NZ) Ltd**

On 4 July 2016 the Group acquired 100% of a New Zealand Company; Trademark Investigation Services (NZ) Ltd (TMISNZ) for \$43,963 via subsidiary Risk & Security Management Ltd (RSM). This business provides trademark investigative services. The Directors believe there is growth potential in the trademark investigation industry and TMISNZ, in conjunction with the above acquisition of TMISNZ provides access to this growing industry. TMISNZ also expands on, and complements, the suite of corporate investigative services available within the Group.

The provisional fair value of identifiable net assets and resulting goodwill is represented by:

	\$
Cash	28,250
Trade receivables	29,622
Property plant and equipment	2,462
Payables	(139,841)
Net liabilities acquired	(79,507)
Consideration paid	43,963
Goodwill	123,470

At acquisition date trade receivables were expected to be fully collected.

No amount of goodwill is expected to be deductible for tax purposes. The goodwill is attributable mainly to the skills and technical talent of the workforce as well as the established reputation of TMISNZ.

The acquisition is recorded as an investment in a subsidiary by RSM. There were no acquisition costs recognised as costs were categorised as normal operating costs of the Company.

TMISNZ contributed a profit of \$1,858 since acquisition.

6(d) JB Markets Pty Ltd (JBM) (formerly Aliom Pty Ltd)

On 1 August 2016 the Group acquired 100% of JB Markets Pty Ltd (JBM) for \$200,423 via subsidiary JB Financial Group Ltd (formerly JB Broking Ltd). This business provides broking services. The Directors believe there is growth potential in the broking business and that it complements the investment management business of the Company.

The provisional fair value of identifiable net assets and resulting goodwill is represented by:

	\$
Cash	57,991
Client cash	3,353
Payable – client cash	(3,353)
Employee entitlements	(7,568)
Net assets acquired	50,423
Consideration paid	200,423
Goodwill	150,000

No amount of goodwill is expected to be deductible for tax purposes. The goodwill is attributable mainly to the Australian Financial Services licence and established reputation of the company.

The acquisition is recorded as an investment in a subsidiary by JB Financial Group Ltd. There were no acquisition costs recognised as costs were categorised as normal operating costs of JBM.

JBM contributed a loss of \$396,076 since acquisition due to costs incurred in recruiting and employee benefit costs incurred in re-establishing the business.

Consolidated Interim Financial Report for the half-year ended 31 December 2016**NOTE 6 INTANGIBLE ASSETS (continued)****6(e) Kings Currency Exchange Pty Ltd and its associate Harnewei Pty Ltd (Kings)**

In two tranches during November and December 2016, the Group through subsidiary JB Financial Group Ltd acquired a total of 80.6% of the issued capital of King's Currency Exchange Pty Ltd (**Kings**) and a non-operating associate of Kings for total consideration of \$7,678,000. Kings operate the Crown Currency Exchange and King's Currency Exchange businesses which have a corporate history of more than 30 years and provide retail foreign exchange services through a network of foreign currency exchange stores.

The Directors believe that the acquisition of Kings provided an opportunity to acquire a profitable well established business with potential for further growth and that it complements the international investment management business of the Company. King's is an asset lean business and as such a significant portion of the acquisition price is represented by goodwill.

The provisional fair value of identifiable net assets and resulting goodwill is represented by:

	\$
Cash	582,848
Currency held as stock	1,733,155
Receivables	306,857
Property, plant and equipment	577,183
Payables	(407,765)
Provision for tax	(391,826)
Less - Non Controlling Interest	(417,735)
Net assets acquired	1,982,717
Consideration paid	7,678,000
Goodwill	5,695,283

No amount of goodwill is expected to be deductible for tax purposes. The goodwill is attributable mainly to the profitability and reputation of the long established business.

The acquisition is recorded as an investment in a subsidiary by JB Financial Group Ltd. There were no acquisition costs recognised as costs were categorised as normal operating costs of the Company.

King's contributed a profit of \$212,926 since acquisition.

An amount of \$1,928,000 is included in current payables in these financial statements in respect of the second tranche of the purchase of Kings which was paid on 5 January 2017.

NOTE 7 EQUITY ACCOUNTED INTERESTS IN ASSOCIATES

The carrying amount of equity-accounted investments has changed as follows in the half-year to 31 December 2016:

	31 December 2016	30 June 2016
	\$	\$
Beginning of the reporting period	-	-
Additions	1,000,050	-
Profit / (loss) for the period	43,400	-
Dividends paid	-	-
Balance at the end of the reporting period	1,043,450	-

Consolidated Interim Financial Report for the half-year ended 31 December 2016**NOTE 8 EARNINGS PER SHARE**

	31 December 2016	31 December 2015
	\$	\$
Reconciliation of earnings to profit:		
Profit attributable to ordinary equity holders	579,893	(386,949)
Earnings used to calculate basic EPS	579,893	(386,949)
Earnings used in the calculation of dilutive EPS	579,893	(386,949)
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	17,563,300	12,380,409
Effect of options	4,217,484	-
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS	21,780,784	12,380,409

In the calculation of diluted earnings per share, only those options with an exercise price lower than the average market price of ordinary shares of the Company during the period are considered when calculating the effect of options.

NOTE 9 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The following table presents a comparison of the carrying value of the Company's financial assets and liabilities, including their levels in the fair value hierarchy. It does not include information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Group classifies fair value measurement using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements.

The fair value hierarchy consists of the following levels:

Level 1: Quoted prices 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 (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (unobservable inputs).

31 December 2016		Carrying Amount			Fair value				
\$	Note	Measured at fair value	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity securities		3,577,369	-	-	3,577,369	3,577,369	-	-	3,577,369
		3,577,369	-	-	3,577,369	3,577,369	-		3,577,369
Financial assets not measured at fair value									
Cash and cash equivalents			2,352,034		2,352,034				
Currency held as stock			1,857,200		1,857,200				
Trade and other receivables			6,248,640		6,248,640				
Term deposits			80,375		80,375				
			10,538,249		10,538,249				

Consolidated Interim Financial Report for the half-year ended 31 December 2016**NOTE 9 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (continued)****30 June 2016**

30 June 2016		Carrying Amount			Fair value				
\$	Note	Measured at fair value	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Equity securities		2,089,250	-	-	2,089,250	2,089,250	-	-	2,089,250
		2,089,250	-	-	2,089,250	2,089,250	-	-	2,089,250

Financial assets not measured at fair value

Cash and cash equivalents	-	1,868,573	-	1,868,573
Trade and other receivables	-	5,738,259	-	5,738,259
Term deposits	-	30,000	-	30,000
		7,636,832	-	7,636,832

NOTE 10 RELATED PARTY TRANSACTIONS

During the half-year, the following related party transactions occurred:

All transactions with related parties are conducted on normal commercial terms and conditions, and include:

- (i) The management fee and performance fee payable to the Company by Henry Morgan Limited (HML) pursuant to the agreement whereby the Company acts in the capacity of Investment Manager for HML.
- (ii) The compensation arrangements with the Chairman and each of the Executive Directors;
- (iii) The interest in the Company held directly and indirectly by the Chairman, Executive Directors and investment Manager.
- (iv) Various loans, agreements and equity transactions occurred between entities within the Group and with associated entities on normal commercial terms as under.

The following abbreviations have been used throughout the following transaction details.

BRL	Bartholomew Roberts Ltd
HML	Henry Morgan Limited
JB Broking	JB Broking Ltd (now, JB Financial Group Ltd)
JBFG	JB Financial Group Ltd (formerly, JB Broking Ltd)
JBL	John Bridgeman Limited
JB Markets	JB Markets Pty Ltd
JR Restaurants	JR Restaurants Australia Pty Ltd
RSM	Risk & Security Management Ltd

Consolidated Interim Financial Report for the half-year ended 31 December 2016

NOTE 10 RELATED PARTY TRANSACTIONS (continued)

The Company provided loans to BRL and RSM during July and August 2016 on documented, commercial terms, for the purpose of assisting with the acquisition of Trademark Investigation Services and working capital requirements. These loans have either been repaid, are in the process of being repaid, or have been converted into equity based on internal valuations.

In August 2016, HML and an entity associated with Stuart McAuliffe acquired shares in JB Broking. Stuart McAuliffe is a common director of each of these entities, and there are two other common directors of BRL and HML. The sales prices of the shares was determined on internal valuations. Shares were also transferred to third parties on similar terms.

The Company has entered into services agreements with BRL and HML for the provision of administrative and support services. The companies share common directors. The services agreement sets out the obligations and responsibilities of JBL, and the manner in which fees will be charged.

In October 2016, BRL issued 1,200,000 shares to HML following a placement to wholesale and sophisticated investors. Shares were issued to several other external third parties on the same terms. The issue price of the shares was determined by management based on internal valuations. BRL and HML shared common directors.

In December 2016: BRL issued 214,444 shares to JBL for cash and BRL invested those funds in JBFG.. The investment funds were used for acquisitions by JBFG. At the time, BRL and JBL shared common directors, and there was one common director between BRL and JBFG. The issue price of the shares was determined by management based on internal valuation calculations.

NOTE 11 SUBSEQUENT EVENTS

Other than the following, the directors are not aware of any significant events since the end of the interim period:

On 17 January 2017, the Company announced that a wholly owned subsidiary of Group member, Bartholomew Roberts Ltd, has entered into an agreement to form a joint venture with Shinsegae Food Inc., one of South Korea's leading food processing, manufacturing and distribution businesses. The agreement provides for the establishment of a 50-50 joint venture company in Korea which will aim to develop, operate, market and promote new food products in the Korean and broader Asian markets.

Effective 1 February 2017 the Group, via its subsidiary Risk and Security Management Ltd (R&SM), acquired an existing business called Yates Professional Investigations for consideration of \$350,000. The acquisition delivers to the Group an effective 25.1% interest in Yates.

On 15 February 2017, the Company converted all of the 594,937 listed options it held in Henry Morgan Limited (HML) into fully paid shares at the exercise price of \$1.00. The new shares were eligible to participate in the special dividend of \$0.20 per share paid by HML on 13 March 2017. The Company elected to participate in the Dividend Reinvestment Plan operated by HML in respect of the dividend and was issued 390,146 additional shares in HML in satisfaction of its dividend entitlement.

On 16 February 2017, the Company announced that it intends to launch a listed investment company, Benjamin Hornigold Ltd (BHL), and apply for its listing on ASX. The Company will act as investment manager for BHL.

Since the end of the interim period and up to the date of this report, the Company has issued 1,120,000 shares pursuant to the exercise of listed options, increasing paid up capital by \$1,232,000.

Since the end of the interim period and up to the date of this report, the Company had acquired 957,798 shares in ASX listed Hunter Hall International Limited (**HHL**) representing approximately 3.51% of the issued capital in HHL. The Company has also instructed its brokers to seek to acquire additional shares in HHL.

Consolidated Interim Financial Report for the half-year ended 31 December 2016

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of John Bridgeman Limited, the directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 5 to 17, are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date.
1. 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.



.....

Mr Stuart McAuliffe, Managing Director

Dated 15 March 2017

Independent Auditor's Review Report

To the members of John Bridgeman Limited

Conclusion

We have reviewed the accompanying Interim Financial Report of John Bridgeman Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the **Interim Financial Report** of John Bridgeman Limited is not in accordance with the *Corporations Act 2001*, including:

- i) giving a true and fair view of the **Group's** financial position as at 31 December 2016 and of its performance for the **Half-year** ended on that date; and
- ii) complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2016
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises John Bridgeman Limited (the Company) and the entities it controlled at the Half-year's end or from time to time during the Half-year.

The **Interim Period** is the six months ended on 31 December 2016.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of John Bridgeman Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



KPMG



Simon Crane
Partner

Brisbane
15 March 2017