



JOHN.BRIDGEMAN

13 November 2017

JOHN BRIDGEMAN LIMITED
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Mr Ron Kaushik
Manager – Compliance and Market Surveillance
NSX Limited
1 Bligh Street
Sydney NSW 2000

Dear Mr Kaushik

JOHN BRIDGEMAN LIMITED – PERIODIC DISCLOSURE QUERY

In response to the request set out in your letter of Thursday, 9 November 2017.

John Bridgeman Limited (**JBL** or **Company**) provides the following explanation to support the difference in management and performance fee figures reported in the Company's Annual Report against the management and performance fee figures reported in Henry Morgan Limited's (**HML**) and Benjamin Hornigold Limited's (**BHD**) financial statements:

1. For GST purposes, HML and BHD are input-taxed suppliers and as such do not recover GST paid. The Australian Accounting Standards Board "*Urgent Issues Group Interpretation 1031 Accounting for the Goods and Service Tax (GST)*" (**Interpretation 1031**) requires that "the amount of GST incurred by a purchaser that is not recoverable from the taxation authority shall be recognised... as part of an item of expense." HML and BHD are required to include the GST amount in the management and performance fee expense disclosed in their annual reports.

Conversely, JBL is required to remit GST it receives from customers to the ATO. For JBL, Interpretation 1031 requires that "Revenues, expenses and assets shall be recognised net of the amount of goods and services tax (GST)". JBL is required to exclude the GST amount from the management and performance fee income disclosed in its annual report.

2. Summary of amounts paid by HML to JBL for management and performance fees for the year ended 30 June 2017.

RECONCILIATION OF HML MANAGEMENT FEE AND PERFORMANCE FEE PAYABLE TO JBL			
	HML Fee Amount Including GST	HML Fee Amount Excluding GST	JBL Fee Amount Excluding GST
HML Management fees payable to JBL	\$796,168	\$723,789	\$723,789
HML Performance fees payable to JBL	\$7,799,723	\$7,090,657	\$7,090,657
HML Total fees payable to JBL	\$8,595,891	\$7,814,446	\$7,814,446
Reconciliation:			
HML Total fees payable to JBL as reported in the HML annual report	\$8,595,891	\$7,814,446	\$7,814,446
Management consulting fee paid to JBL by an external third party unrelated to HML			\$458
Total as reported in the JBL annual report			\$7,814,904

3. Explanation for the discrepancy in the amounts disclosed in the annual report of HML compared to the amount disclosed in the annual report of JBL.

After accounting for the \$781,445 attributable to the different treatment of GST mandated by Interpretation 1031, the actual discrepancy identified is \$458.

JBL advises that it has identified a discrepancy of \$458 in the amount of the management and performance fee payable by HML that was disclosed in JBL's annual report. The discrepancy is a management consulting fee paid to JBL by an external third party unrelated to HML. In JBL's annual report, the disclosure for the amount of the management and performance fee payable by HML should read \$7,814,446.

4. Summary of amounts paid by Benjamin Hornigold Limited (**BHD**) to JBL for management and performance fees for the year ended 30 June 2017.

RECONCILIATION OF BHD MANAGEMENT FEE AND PERFORMANCE FEE PAYABLE TO JBL			
	BHD Fee Amount Including GST	BHD Fee Amount Excluding GST	JBL Fee Amount Excluding GST
BHD Management fees payable	\$88,019	\$80,018	\$80,018
BHD Performance fees payable	\$0	\$0	\$0
BHD Total fees payable to JBL	\$88,019	\$80,018	\$80,018
Reconciliation:			
BHD Total fees payable to JBL as reported in the BHD Annual Report	\$88,019	\$80,018	\$80,018
Total as reported in the JBL Annual Report			\$80,018

5. Explanation for the discrepancy in the amounts disclosed in the annual report of BHD compared to the amount disclosed in the annual report of JBL.

After accounting for the \$8,001 attributable to the different treatment of GST mandated by Interpretation 1031, the actual discrepancy identified is \$Nil.

Yours faithfully



KEVIN MISCHESKI
Company Secretary
JOHN BRIDGEMAN LIMITED