



JOHN BRIDGEMAN LIMITED  
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JOHN.BRIDGEMAN

16 May 2019

Ron Kaushik  
Senior Manager – Market Surveillance  
National Stock Exchange of Australia Limited  
1 Bligh Street  
Sydney NSW 2000

Dear Mr Kaushik

**General disclosure query**

We refer to your letter of 14 May 2019.

While the Company's responses to your questions are set out below, the Company is concerned that the level of scrutiny arising from the queries appears to go beyond the scope of reviewing the Company's compliance with the NSX Listing Rules and the level of investigation that may ordinarily be undertaken by NSX.

- 1. With regards to the Company's response to question 2, please provide copies of the specific financial forecasts, internal management valuations, accounts of JB Financial Group Pty Ltd, and the advice received from advisors and other professionals which is referred to by the Company as justifying the increase in share price of JB Financial Group Pty Ltd between July 2016 and December 2016.**

***Response:***

The financial and valuation information relevant to this question was provided to the Exchange in the Company's response dated 8 May 2019, on the basis that it was not for disclosure to the market. The Company is not required to maintain and provide for public scrutiny detailed records of all discussions and advice received from advisors and other professionals which are, in any event, provided to the Company on a confidential basis.

As with any company, the value of shares in JB Financial Group increases as the company grows and develops. During the period in question, the businesses owned by JB Financial Group developed significantly.

All details relevant to the valuation of JB Financial Group were provided at the time to the Company's auditors, to support the increase in the value per share of the company. As noted in the Company's response of 8 May 2019, if an auditor is of the view that the carrying amount of

any investment does not fall within the range independently determined by the auditor, it will raise this with the Company and if necessary, qualify its audit report and notify ASIC of this qualification. The auditor did not require, and has never required, any qualification to the accounts or the carrying amount of this investment.

2. **With regard to the Company's response to question 3 and noting the 'Movement in shares on issue' in point b) above, NSX refers to the following investments made as investment manager by the Company in JB Financial Group Pty Ltd in December 2016 (the Investments): 235 shares issued to Henry Morgan Limited at \$26,595.74 on 9 December 2016; and 72 shares issued to Bartholomew Roberts Pty Ltd at \$26,805.56 on 30 December 2016:**

- (i) **Please provide the details of the individuals within the Company that initiated the investment process or obtained details from the Board or other representatives of JB Financial Group Pty Ltd to facilitate the Investments. We note key interactions took place with the following individuals from JB Financial Group: Jim Stewart-Koster in relation to foreign exchange, Darren Markisic in relation to broking and trading, Peter Aardoom and Michael Martin regarding JB Financial's overall business strategy and plans.**

***Response:***

The Company notes that the Investments took place almost 29 months ago. The investment processes associated with those Investments commenced prior to the actual Investment itself.

The Company is not required to maintain historical records of discussions to the level of granularity required to respond to NSX's queries. Accordingly, the Company is not able to provide further details regarding the individuals who initiated the investment processes or liaised with JB Financial Group to facilitate every investment it undertakes or recommends.

- (ii) **Please provide the details of the individuals within the Company who approved and/or signed off on the Investments**

***Response:***

The Company acted pursuant to its investment management mandate with each of Henry Morgan Limited and Bartholomew Roberts Pty Ltd in facilitating the Investments. It is the responsibility of the Company (and not one particular individual) to identify, consider, recommend and facilitate investments for its clients.

In carrying out this function, the Company considers a multitude of investment options from time to time (as, for example, detailed in its response of 8 May 2019). It then acts in accordance with its investment mandate to select appropriate investment opportunities, and discard others.

Given the size and nature of these particular Investments, the Company suggested that both Henry Morgan Limited and Bartholomew Roberts Pty Ltd obtain the approval of their respective boards in relation to the investments.

- (iii) **Please provide the details of the individuals from JB Financial Group Pty Ltd that the Company discussed and agreed the share issue prices with in relation to the Investments**

**Response:**

The Company is not required to maintain records of all discussions regarding investment opportunities, share prices and valuations, and has not done so to the level of granularity required to respond to this question.

- (iv) Please provide details of the 'certain members of the Board of JB Financial Group' that John Bridgeman interacted with as referred to in the Company's response above.**

**Response:**

The Company interacted with Peter Aardoom and Michael Martin in relation to the Investments.

- (v) Please provide the details of the individuals from JB Financial Group Pty Ltd who approved and/or signed off on the share placements in relation to the Investments.**

**Response:**

The Company notes that JB Financial Group is the entity which was responsible for the share placement in question.

- (vi) The Company is requested to provide the records of all meetings and discussions held between representatives of the Company and representatives of JB Financial Group Pty Ltd held between August to December 2016 referred to in the Company's response above**

**Response:**

The Company is not required to maintain records of all meetings and discussions to the level of granularity required to respond to this question and, noting that the relevant period identified was almost 29 months ago, is not able to readily provide the information requested by this question.

- 3. As investment manager the Company is requested to explain why in August 2016 Henry Morgan Limited acquired 300 shares in JB Financial Group Pty Ltd by way of transfer from Bartholomew Roberts Pty Ltd at \$167 per share, then in December 2016 paid \$26,595.74 per share? How was the purchase price of \$167 per share determined to be reasonable by the Company? Was any consideration given to the fact that Bartholomew Roberts Pty Ltd received those shares at \$1 per share on 11 July 2016?**

**Response:**

Refer response to Question 1. The value of JB Financial Group increased over the period in question.

- 4. Please provide details of who the 'entity associated with Stuart McAuliffe' is as referred to in**

**point a) above**

***Response:***

Henry Avery Partners Pty Ltd.

- 5. As investment manager and the parent entity for Bartholomew Roberts Pty Ltd, please provide the Annual Report for the Company's subsidiary Bartholomew Roberts Pty Ltd for year end 30 June 2018.**

***Response:***

Bartholomew Roberts Pty Ltd is not required to prepare an annual report for the year ended 30 June 2018. The accounts of Bartholomew Roberts Pty Ltd are consolidated with those of John Bridgeman Limited.

Yours faithfully



**Jody Wright**  
Company Secretary  
**John Bridgeman Limited**