BENJAMIN HORNIGOLD LIMITED

Benjamin Hornigold Ltd
ACN 614 854 045

ASX Announcement
(ASX: BHD)

23 February 2021

Benjamin Hornigold Return to profitability.

The Board is please to report to shareholders a long awaited return to profits from investing activities

Investment activities have resulted in the company returning to profitability for the half year ending 31 December 2020. We have continued our strategy of investing in arbitrage opportunities, and opportunistic investments as was articulated to shareholders at the last Annual General Meeting.

The Board will continue with its strategy of investing the Company's funds to deliver a return to shareholders. To date, we have chosen to do this in a cautious and selective manner.

Additionally, during the period the Company continued pursuing the recovery of loans that remain outstanding and exploring options to maximise recovery. Some of those loans have little chance of being recovered and it is likely to take some time to see a return in the event of a recovery.

We thank all shareholders for their support since the Board joined the company.

By authority of the Board

Michael Glennon

Chairman / Company Secretary
Benjamin Hornigold Ltd

Tel: **02 8117 8123**

Email: **cosec@bhdlimited.com.au**

Benjamin Hornigold Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	Benjamin Hornigold Ltd
ABN:	62 614 854 045
Reporting period:	Half-year ended 31 December 2020
Previous period:	Half-year ended 31 December 2019

2. Results for announcement to the market

				$
Revenue from ordinary activities	increased	71%	to	1,061,579
Gain from ordinary activities after tax attributable to the owners of Benjamin Hornigold Ltd	increased	191%	to	622,135
Gain for the half-year attributable to the owners of Benjamin Hornigold Ltd	increased	191%	to	622,135

	31 Dec 2020 Cents	**31 Dec 2019 Cents**
Basic earnings per share	2.58	(2.84)
Diluted earnings per share	2.58	(2.84)

Comments
The gain for the Company after providing for income tax amounted to $622,135 (31 December 2019: loss of $685,751).

During the period the Company acquired $7,228,767 (including fees) (June 2020: $nil) of listed shares and sold $3,539,591 (including fees) (June 2020: $nil), the realised gains amounted to $129,779, dividends $155,392, and unrealised gains of $468,808 (June 2020: $nil).

3. Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible assets per ordinary security	33	30

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

There were no dividends paid, recommended or declared during the current financial period or prior financial period.

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7. Details of associates and joint venture entities

Not applicable.

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8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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10. Attachments

Details of attachments (if any):

The Interim Report of Benjamin Hornigold Ltd for the half-year ended 31 December 2020 is attached.

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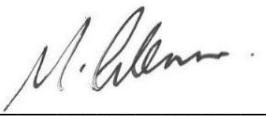
11. Signed

By authority of the Board

Signed 

Date: 19 February 2021

BENJAMIN HORNIGOLD LIMITED

ACN 614 854 045

INTERIM REPORT
31 DECEMBER 2020

"veritas et aequitas"

Benjamin Hornigold Ltd
Directors' report
31 December 2020

Introduction
The directors present their report, together with the financial statements, of Benjamin Hornigold Ltd (referred to hereafter as the 'Company') for the half-year ended 31 December 2020.

Directors
The following persons were Directors of Benjamin Hornigold Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Directors' name	Position	Date appointed
Michael Glennon	Non-Executive Chairman	12 Jun 2019
Gary Miller	Non-executive Director	12 Jun 2019
Sulieman Ravell	Non-executive Director	12 Jun 2019

Principal activities
The Company is a Listed Investment Company (LIC) incorporated on 28 September 2016. The Company provides investors with the opportunity to gain exposure to an investment portfolio that is actively managed. The investment portfolio is invested in a small number of high conviction investments in undervalued assets, that provide growth opportunities with the aim of achieving above average returns, (whilst limiting volatility) over the medium to long term. Further details on these investments are included in the Review of Operations.

Review of operations
The gain for the Company after providing for income tax amounted to $622,135 (31 December 2019: loss of $685,751).

During the period the Company acquired $7,228,767 (including fees) (June 2020: $nil) of listed shares and sold $3,539,591 (including fees) (June 2020: $nil), generating revenue of $753,979 (June 2020: $nil), being:

- realised gains amounted to $129,779,
- dividends $155,392, and
- unrealised gains of $468,808.

Significant changes in the state of affairs

The Board does not believe the COVID-19 pandemic will have any impact on the Company's ability to continue as a going concern nor in its current ability to work in Australia to continue pursuing new ventures.

Apart from the matters discussed in this Report, there were no other significant changes in the state of affairs of the Company during the financial half-year.

Matters subsequent to the end of the financial half-year

There have been no matters or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Benjamin Hornigold Ltd
Directors' report
31 December 2020

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

_____
Michael Glennon
Chairman

19 February 2021

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Benjamin Hornigold Ltd
Level 17, 25 Bligh Street
SYDNEY NSW 2000

Auditor's Independence Declaration

In relation to the independent auditor's review for the half year ended 31 December 2020, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

PITCHER PARTNERS

WARWICK FACE
Partner

Brisbane, Queensland
19 February 2021

Benjamin Hornigold Ltd
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Benjamin Hornigold Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	31 December 2020 $	31 December 2019 $
Revenue			
Net gains/(losses) from investment portfolio	4	616,354	(124,981)
Other income	4	125,879	477,808
Government Grant	4	54,651	-
Interest revenue calculated using the effective interest method		264,695	267,609
Total revenue		1,061,579	620,436
Expenses			
Management and performance fees		-	(64,572)
Impairment of receivables		(105,521)	(103,295)
Directors' fees		(150,564)	(150,562)
Professional fees		(181,790)	(918,704)
Finance costs		-	(4,950)
Other expenses		(1,569)	(64,104)
Total expenses		(439,444)	(1,306,187)
Profit/(Loss) before income tax		622,135	(685,751)
Income tax (expense)/benefit		-	-
Profit/(Loss) after income tax for the half-year attributable to the owners of Benjamin Hornigold Ltd		622,135	(685,751)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Benjamin Hornigold Ltd		622,135	(685,751)
		Cents	**Cents**
Basic earnings per share	8	2.58	(2.84)
Diluted earnings per share	8	2.58	(2.84)

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

Benjamin Hornigold Ltd
Statement of financial position
As at 31 December 2020

	Note	31 December 2020 $	30 June 2020 $
Assets			
Cash and cash equivalents		3,567,360	7,541,101
Investments at fair value through profit or loss	5	4,284,681	-
Other receivables – Current	7	335,171	210
Prepayments		45,215	25,094
Total assets		8,232,427	7,566,405
Liabilities			
Trade and other payables		316,523	272,636
Total liabilities		316,523	272,636
Net assets		7,915,904	7,293,769
Equity			
Issued capital		23,528,129	23,528,129
Accumulated losses		(15,612,225)	(16,234,360)
Total equity		7,915,904	7,293,769

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

Benjamin Hornigold Ltd
Statement of changes in equity
For the half-year ended 31 December 2020

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2019	23,528,129	(15,484,123)	8,044,006
Loss after income tax benefit for the half-year	-	(685,751)	(685,751)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(685,751)	(685,751)
Balance at 31 December 2019	23,528,129	(16,169,874)	7,358,255

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2020	23,528,129	(16,234,360)	7,293,769
Profit after income tax benefit for the half-year	-	622,135	622,135
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	622,135 -	622,135 -
Balance at 31 December 2020	23,528,129	(15,612,225)	7,915,904

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

Benjamin Hornigold Ltd
Statement of cash flows
For the half-year ended 31 December 2020

	31 December 2020 $	31 December 2019 $
Cash flows from operating activities		
Purchase of investment in listed shares	(7,228,767)	-
Proceeds from sale of listed shares	3,346,059	-
Payments for operating and administrative expenses	(311,065)	(910,968)
Interest received	21,547	3,298
Dividends Received	17,955	-
Interest and other finance costs paid	-	(4,950)
Cost Recovered (court order)	125,879	-
Other Income	54,651	-
Net cash (used in)/from operating activities	(3,973,741)	(912,620)
Cash flows from investing activities		
Loans repaid	-	1,000,000
Loans repaid/(to) related parties	-	570,919
Net cash from/(used in) investing activities	-	1,570,919
Net increase/(decrease) in cash and cash equivalents	(3,973,741)	658,299
Cash and cash equivalents at the beginning of the financial half-year	7,541,101	369,846
Cash and cash equivalents at the end of the financial half-year	3,567,360	1,028,145

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

Note 1. Reporting Entity

Benjamin Hornigold Ltd (the 'Company') is a listed public investment company domiciled in Australia. These interim financial statements as at and for the period ended 31 December 2020 comprise the Company only.

The annual financial statements of the Company as at and for the year ended 30 June 2020 are available at www.bhdlimited.com.au

The financial statements were authorised by the Board of Directors on 19 February 2021.

Note 2. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New or amended accounting standards and interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Operating segments are identified based on the financial information regularly reviewed by the Board (representing the Chief Operating Decision Maker) in assessing the performance and determining the allocation of resources. As the Company operates in only one segment, all results presented in this financial report relate to the financial services segment.

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

Note 4. Revenue

	31 December 2020 $	31 December 2019 $
Net gains/(losses) from investment portfolio		
Net realised gain / (loss) on trading activities	129,779	-
Fully franked dividends received	153,463	-
Unfranked dividends received	1,929	-
Net unrealised gain on trading activities	468,808	-
Net unrealised gain / (loss) on investment activities	(137,625)	(124,981)
	616,354	(124,981)
Other income		
Foreign exchange gains / (losses) on foreign currency banknotes receivable	-	154,502
Cost recoveries (a)	125,879	-
Trading fee on foreign currency banknotes receivable		323,306
	125,879	477,808
Government Grant		
COVID19 Government Stimulus	54,651	-

Net gains / (losses) on investments
Gains and losses arising from changes in fair value of investments held are recognised in the statement of profit or loss in the period in which they arise.

(a) Cost recoveries
The Company announced on 17 July 2020 that John Bridgeman Ltd (JBL) has paid the Company in respect of Takeover Panel costs following orders made by the Supreme Court of Queensland.

Note 5. Investments at fair value through profit or loss

	31 December 2020 $	30 June 2020 $
Listed shares	4,284,681	-
Convertible loan - designated at fair value through profit or loss (a)	-	-
	4,284,681	-

(a) The convertible loan including interest amounts to $2,909,914 (June 2020 $2,772,890) is in default and had been fully impaired at 31 December 2020 and 30 June 2020. Interest impaired in the period amounted to $137,625 (December 2019: $124,981).

Note 6. Fair Value Measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- 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 or indirectly.
- Level 3: unobservable inputs for the assets or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Ordinary shares at fair value through profit and loss	4,284,681	-	-	4,284,681
Total Assets	4,284,681	-	-	4,284,681
Net Fair Value	**4,284,681**	**-**	**-**	**4,284,681**

30 June 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Ordinary shares at fair value through profit and loss	-	-	-	-
Total Assets	-	-	-	-
Net Fair Value	**-**	**-**	**-**	**-**

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assume to approximate their fair values due to their short -term nature.

Note 7. Other receivables

	31 December 2020 $	30 June 2020 $
Other receivables	334,053	-
Trading fee receivable on JBFX foreign currency banknotes	71,632	71,632
Overpaid performance fees	53,773	53,773
Less allowance for expected credit losses	(125,405)	(125,405)
	297,058	-
Loans and advances to related parties measured at amortised cost		
JBL loan (a)	1,097,179	1,035,669
JBFG loan (a)	995,886	951,875
Less allowance for expected credit losses (a)	(2,093,065)	(1,987,544)
GST receivable	1,119	210
	38,113	210
TOTAL	**335,171**	**210**

(a) Related party loans and advances measured at amortised cost

	JBL Loans	JBFG Loan	JBFG Advance	Total
	$	$	$	$
Opening loan 1 July 2020	-	-	-	-
Interest charged	61,509	44,012	-	105,521
Loan & interest repaid				
Impairment Loss	(61,509)	(44,012)	-	(105,521)
Closing loan 31 December 2020	**-**	**-**	**-**	**-**
Prior period				
Opening loan 1 July 2019	**-**	**-**	**500,000**	**500,000**
Interest charged	123,306	81,848	-	205,154
Loan & interest repaid	(149,548)	-	(500,000)	(649,548
Impairment Loss	26,424	(81,848)	-	(1,931,938)
Closing loan 30 June 2020	**-**	**-**	-	

JBL Loans
On 2 August 2018 the Company made a loan of $1,134,154 to the JBL for an initial term of one year at 11.5% per annum interest. On 16 October 2018 the term of the loan was extended to 8 February 2020.

For the half year ended 31 December 2020 $61,509 (June 2020: $123,306) of interest has been recognised, of which $61,509 (June 2020: $26,424) was receivable at 31 December 2020. No interest repayments have been received since September 2019 and the loan is in default. On 12 February 2020 $149,548 of the JBL loan was repaid by JBL complying with orders made in the Supreme Court of Queensland on 4 February 2020. In the current period, the interest has been fully impaired by $61,509 (June 2020: $26,424).

JBFG Loan
In July 2018, the Company entered into a short-term loan agreement with Genesis for $800,000 at 9% per annum repayable in October 2018. On 24 December 2018, the Company extended the loan agreement with Genesis to a maturity date of 31 October 2019. On 7 May 2019, the loan plus interest totalling $857,995 was assigned from Genesis to JBFG.

For the half year ended 31 December 2020 $44,012 (June 2020: $81,848) of interest has been recognised. In the current period, the interest has been fully impaired by $44,012 (June 2020: $81,848), as repayment of the loan plus interest has not been made on 31 October 2019 and the loan is in default.

JBFG Advance
On 29 May 2019, the Company paid Genesis $500,000 which was subsequently assigned to JBFG. Genesis repaid the $500,000 on 4 July 2019 on behalf of JBFG.

Note 8. Earnings per share

	31 December 2020 $	31 December 2019 $
Profit/(loss) after income tax attributable to the owners of Benjamin Hornigold Ltd	622,135	(685,751)

	31 December 2020 Number	31 December 2019 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	24,155,241	24,155,241
Weighted average number of ordinary shares used in calculating diluted earnings per share	24,155,241	24,155,241

	Cents	Cents
Basic earnings per share	2.58	(2.84)
Diluted earnings per share	2.58	(2.84)

In the calculation of diluted earnings per share, only 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 the options.

Note 9. Events after the reporting period

The Board does not believe the COVID-19 pandemic will have any impact on the Company's ability to continue as a going concern nor to continue working in Australia

No matters or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

In the Directors' opinion:

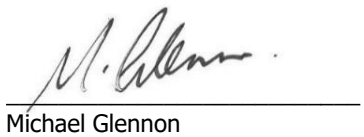
- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Michael Glennon
Managing Director

19 February 2021

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

Independent Auditor's Review Report to the Members of Benjamin Hornigold Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Benjamin Hornigold Ltd, the 'Company" which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Benjamin Hornigold Ltd does not comply with the *Corporations Act 2001* including:

a) giving a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year 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.

PITCHER PARTNERS

WARWICK FACE
Partner

Brisbane, Queensland
19 February 2021