

2017



2017 Annual Report



Bentley
Capital Limited

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The 2017 Corporate Governance Statement can be found at the following URL on the Company's website:
<http://bel.com.au/corporate-governance>

Visit www.bel.com.au for:

- [Market Announcements](#)
- [Financial Reports](#)
- [Corporate Governance](#)
- [NTA Backing History](#)
- [Distribution History](#)
- [Forms](#)
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CORPORATE DIRECTORY

BOARD

Farooq Khan	Executive Chairman
William M. Johnson	Executive Director
Simon K. Cato	Non-Executive Director

COMPANY SECRETARY

Victor P.H. Ho

REGISTERED AND PRINCIPAL OFFICE

Level 2
23 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9214 9757
Facsimile: (08) 9214 9701
Email: info@bel.com.au
Website: www.bel.com.au

AUDITORS

Rothsay Auditing
Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
West Perth, Western Australia 6005
Telephone: (08) 9486 7094
Website: www.rothsayresources.com.au

STOCK EXCHANGE

Australian Securities Exchange
Perth, Western Australia
Website: www.asx.com.au

ASX CODE

BEL

SHARE REGISTRY

Advanced Share Registry Services
Main Office
110 Stirling Highway
Nedlands, Western Australia 6009
Telephone: (08) 9389 8033
Facsimile: (08) 9262 3723
Email: admin@advancedshare.com.au
Website: www.advancedshare.com.au

Sydney Office
Suite 8H, 325 Pitt Street
Sydney, New South Wales 2000
Telephone: (02) 8096 3502

COMPANY PROFILE

Bentley Capital Limited has been listed on the Australian Securities Exchange (ASX) since October 1986 as an investment company (ASX Code: [BEL](#)). Bentley's investment objectives are to:

- Achieve a high real rate of return over the medium term, ideally comprising both revenue and capital growth, whilst operating within acceptable risk parameters set by the Board; and
- Deliver a regular distribution stream to shareholders.

Bentley's Investment Mandate is outlined on page 60 of this Annual Report.

As at 30 June 2017, Bentley had net tangible assets (NTA) of \$11.74 million (at \$0.1543 post-tax NTA backing per share), 76,127,918 fully paid ordinary shares on issue and 1,742 shareholders on its share register.

NET ASSET WEIGHTINGS

Net Assets	30 June 2017		30 June 2016	
	\$'m	%	\$'m	%
Australian equities ¹	11.17	93.5	14.50	95.2
Intangible assets ²	0.21	1.7	0.60	3.9
Provision for income tax	-	-	-	-
Net cash on deposit/other assets/provisions	0.57	4.8	1.19	0.9
Total Net Assets	11.95	100	16.29	100
NTA Backing per share		\$0.1543		\$0.2080
Adjusted NTA Backing per share (with dividends paid during the 2016/2017 year added back)		\$0.1642		N/A

(1) Includes an investment in the CBG Australian Equities Fund (Wholesale) (CBG Fund).

(2) Capitalised software, Internet and applications development costs.

SUMMARY OF MAJOR HOLDINGS

Security	ASX Code	Industry Sector	30 June 2017		30 June 2016	
			\$'m	%	\$'m	%
CBG Australian Equities Fund	-	Diversified	3.95	33.1	4.82	29.6
Keybridge Capital Limited	KBC	Diversified	3.83 ³	32.0	4.31	26.5
Strike Resources Limited	SRK	Metals & Mining	2.21 ⁴	18.5	2.79 ³	17.1
Other listed securities	Various	Various	1.19	9.9	2.58	15.8

(3) Investment in Associate entity carried at fair value based on equity accounting

(4) Non-Current Asset Held for Sale carried at fair value (ASX market) less selling costs

RECENT DISTRIBUTION HISTORY⁵

Rate per share	Nature	Record Date	Payment Date	Franking	DRP Issue Price
0.50 cent	Dividend	17 August 2017	31 August 2017	100%	\$0.1172
0.50 cent	Dividend	24 March 2017	31 March 2017	100%	\$0.1371
0.50 cent	Dividend	22 September 2016	29 September 2016	100%	\$0.1399
0.50 cent	Dividend	11 March 2016	18 March 2016	100%	\$0.1322
0.50 cent	Dividend	11 September 2015	25 September 2015	100%	\$0.1453
0.55 cent	Dividend	13 March 2015	20 March 2015	100%	\$0.1327
0.95 cent	Dividend	12 September 2014	26 September 2014	100%	\$0.1486
One cent	Dividend	14 March 2014	21 March 2014	100%	\$0.1441
One cent	Return of capital	6 December 2013	12 December 2013	N/A	N/A
One cent	Return of capital	15 April 2013	18 April 2013	N/A	N/A
One cent	Return of capital	26 November 2012	30 November 2012	N/A	N/A
One cent	Return of capital	16 April 2012	19 April 2012	N/A	N/A
5 cents	Return of capital	12 October 2011	14 October 2011	N/A	N/A
2.4 cents	Dividend (Special)	5 September 2011	26 September 2011	100%	\$0.2188
One cent	Dividend	5 September 2011	26 September 2011	100%	\$0.2188

(5) Bentley has paid a distribution to shareholders every year (save on 4 occasions in its 31 year history) since its admission to ASX in 1986. Refer to Bentley's website for full [distribution history](#)

DIVIDEND POLICY

Bentley intends to make annual distributions to shareholders of at least one cent per share, to the extent permitted by law and subject to prudent business practice. It is envisaged that shareholder distributions will be made twice per year (after the announcement of Bentley's December half year end and June year end NTA backing results in January and July). Dividends will be franked to the extent that available franking credits permit. Capital returns will be subject to prior shareholder approval.

OVERVIEW OF PERFORMANCE

BENTLEY CONSOLIDATED ENTITY	June 2017 \$'000	June 2016 \$'000
Net gain on financial assets held at fair value through profit or loss	-	2,998
Dividends	132	32
Interest	30	150
Other investment-related revenue	28	78
Total revenue	190	3,258
Net loss on financial assets held at fair value through profit or loss	(245)	-
Share of Associate entities' loss	(1,374)	(100)
Software development expenses	(1,382)	(1,138)
Salaries, fees and employee benefits	(359)	(700)
Investment expenses	(25)	(84)
Corporate expenses	(64)	(66)
Administration and other expenses	(420)	(644)
Total expenses	(3,869)	(2,732)
Profit/(Loss) before tax	(3,679)	526
Income tax benefit/(expense)	-	-
Profit/(Loss) after tax attributable to members	(3,679)	526
Basic and diluted earnings/(loss) per share (cents)	(4.85)	0.70
Pre-tax NTA backing per share (cents)	15.43	20.80
Post-tax NTA backing per share (cents)	15.43	20.80
Pre and Post-Tax NTA backing per share (with dividends paid during the 2016/2017 year added back)	16.42	N/A

Bentley's principal activities during the year comprise share investment and trading and software, Internet technology and applications development.

The share of Associate entities' loss of \$1.374 million relates primarily to Bentley's investment in Keybridge Capital Limited (ASX:KBC) – Bentley notes that the 30 June 2017 carrying value of its 31,700,000 shareholding in KBC was 12.07 cents per share (worth \$3.825 million), which compares with KBC's closing bid price of 9.3 cents (worth \$2.948 million) and KBC's net asset backing of 14.92 cents (worth \$4.73 million) (both as at 30 June 2017).

Bentley accounts for KBC as an Associate entity (with effect from 1 January 2017), which means that Bentley is required to recognise a share of KBC's net profit or loss in respect of the financial year based on Bentley's (19.96% as at 30 June 2017) shareholding interest in KBC (this is known as the equity method of accounting for an associate entity). Accordingly, as KBC incurred a net loss of \$6.446 million for the year, Bentley is required to recognise a 19.96% share of this loss (calculated as at each month end through the course of the year from 1 January 2017), being \$1.474 million, in Bentley's own accounts for the year. This share of KBC's net loss is a key contributor to Bentley's net loss for the year.

Thus, KBC's net loss position has a flow on effect up to Bentley, which has caused a significant net loss being incurred at the Bentley level that is unrelated to Bentley's direct activities or operations.

OVERVIEW OF PERFORMANCE

Bentley notes that KBC has incurred a net loss for the year due largely to a significant provision for impairment made in respect of a legacy loan receivable asset held by KBC. As outlined in KBC's ASX announcement dated [25 August 2017: Update – Private Equity Loan Receivable](#):

- KBC Directors reduced the carrying value of the loan receivable from US\$5.01 million to US\$0.394 million (A\$0.511 million) in light of an assessment of the underlying value of the security provided for the loan, which resulted in KBC recognising a US\$4.611 million (A\$5.996 million) provision for impairment expense for the year;
- The loan receivable relates to a US\$4.3m limited recourse promissory note (**Note**) secured (via collateral pledged) over a private equity fund which holds investments in US-based manufacturing/distribution businesses (**Fund**);
- The Note arose out of a restructure in April 2013 where, as part of arrangements to exit legacy aviation investments (made whilst KBC was known as Mariner Bridge Investments Limited in 2006/2007) for US\$29.7 million cash, KBC sold its interest in the Fund for US\$4.3 million fully funded by a KBC loan with recourse only to that asset sold (i.e. the Note) – in both instances, well before the current Board of KBC were appointed as Directors;
- In August 2017, KBC received the Fund's 30 June 2017 Quarterly Report which disclosed a significant reduction in the Fund's gross asset position as well as notice from the Noteholder advising that it is 'highly unlikely that the Note will be satisfied on or before its scheduled maturity' (on 29 December 2017) and proposing a 3-year extension of the Note term or a 'buy-out' (retirement) of the Note for US\$0.394 million;
- In light of these matters, the KBC Board reduced the carrying value of the Note (receivable) to US\$0.394 million pending a review of its position vis a vis the correspondence received and the terms of the Note.

Please refer to the Directors' Report and financial statements and notes for information on a review of Bentley's operations and the financial position and performance of Bentley for the year ended 30 June 2017.

THE BOARD'S REPORT

Investment Update Subsequent to Year End

Subsequent to 30 June 2017 year end and to 24 October 2017, Bentley has:

- Realised \$1.343 million from the sale of investments; and
- Invested a further \$0.646 million in listed securities.

30 September 2017 NTA Backing

Bentley's NTA backing as at 30 September 2017 was \$0.143 per share (pre and post-tax) (30 June 2017: \$0.1543).¹

As at 30 September 2017, Bentley's \$11.04 million net assets comprised:

Net Assets:	30 September 2017	
	\$'m	% Net Assets
Investment in KBC	3.80	34.46%
CBG Fund	3.46	31.34%
Investment in SRK	2.10	19.04%
Other ASX-listed securities	1.12	10.14%
Cash	0.26	2.33%
Intangible Assets	0.16	1.39%
Net other assets/(liabilities)	0.14	1.3%
Net Assets	11.04	100%

Please also refer to the List of Share Investments section of this Annual Report (at page 61) for a list of Bentley's investment holdings as at 30 September 2017 and 30 June 2017.

Distribution Track Record Continues

Bentley paid a fully franked dividend of 0.50 cent per share on 31 August 2017. Whilst the Company's Dividend Reinvestment Plan (DRP) applied to this dividend (with the DRP price set at \$0.1172), pursuant to the new [DRP Rules](#)² (announced on 1 August 2017), the Company acquired 243,130 shares on-market to satisfy its obligations to the participants under the DRP.

Updated Dividend Policy

Bentley's objective is to provide a regular and stable distribution to shareholders after the announcement of its December half year end and June year end NTA backing results. These NTA backings are normally announced in mid-January and July each year respectively and Bentley will endeavour to announce its proposed distribution at this time.

Bentley has brought forward these distribution announcement dates under its recently updated Dividend Policy³ as previously, Bentley announced its proposed distribution after the release of its half year and full year operating results at the end of February and August respectively. This change in policy is due to Bentley having a reasonable current level of Profits Reserve to fund a dividend distribution, which means Bentley is not reliant on funding dividends only from net profits generated in respect of a half year or full year period.

Bentley intends to make annual distributions to shareholders of at least one cent per share, to the extent permitted by law and subject to prudent business practice. It is envisaged that shareholder distributions will be made twice per year (as above). Dividends will be franked to the extent that available franking credits permit. Capital returns will be subject to prior shareholder approval.

2017 Annual General Meeting (AGM)

Bentley's 2017 AGM will be held at 11:00 am (Perth time) on Thursday, 30 November 2017 at Bentley's offices in Perth – Level 2, 23 Ventnor Avenue, West Perth, Western Australia.

Two resolutions are proposed, being:

- (1) The re-election of Mr William Matthew Johnson as Director (who retires by rotation at the AGM); and
- (2) The adoption of the 2017 Remuneration Report (located at pages 17 to 22 of this Annual Report).

26 October 2017

¹ Refer Bentley's ASX announcement dated 12 October 2017: [NTA Backing as at 30 September 2017](#)

² Refer Bentley's ASX Announcement dated [1 August 2017: Updated Dividend Reinvestment Plan](#)

³ Refer Bentley's ASX Announcement dated [1 August 2017: Updated Dividend Policy](#)

DIRECTORS' STATUTORY REPORT

The Directors present their Directors' Report on Bentley Capital Limited ABN 87 008 108 218 (**BEL** or **Company**) and its controlled entities (**Bentley** or the **Consolidated Entity**) for the financial year ended 30 June 2017 (**Balance Date**).

BEL is a company limited by shares that was incorporated in South Australia in June 1986 and has been listed on the Australian Securities Exchange (**ASX**) since October 1986 (ASX Code: [BEL](#)).

PRINCIPAL ACTIVITIES

BEL is a listed investment company (**LIC**). Bentley's investment objectives are to:

- Achieve a high real rate of return over the medium term, ideally comprising both revenue and capital growth, whilst operating within acceptable risk parameters set by the Board; and
- Deliver a regular distribution stream to shareholders.

Within its broader investment mandate¹, Bentley has a focus on several key investment sectors which the Board believes offer the opportunity to collectively generate overall returns for shareholders materially in excess of the ASX All Ordinaries Index²:

- (1) Strategic investments in listed companies with either an active or passive participation;
- (2) Corporate financing;
- (3) Promotion of IPOs; and
- (4) Participation in, and funding of, corporate restructurings.

NET TANGIBLE ASSET BACKING

CONSOLIDATED	June 2017 \$'000	June 2016 \$'000
Net assets	11,952	16,288
Less: Intangible assets	(207)	(604)
Net tangible assets	11,745	15,683
Pre-tax NTA backing per share (cents)	15.43	20.80
Less: Net deferred tax asset/liabilities /tax provision	-	-
Net tangible assets	11,745	15,683
Post-tax NTA backing per share (cents)	15.43	20.80
Value of dividends paid to shareholders in previous 12 months	756	749
Adjusted Pre and post-tax NTA backing per share (cents) (with dividends paid during the 2016/2017 year added back)	16.42	N/A
Based on total issued shares	76,127,918	75,414,727

During the financial year, Bentley paid two fully franked dividends of 0.50 cent each per share to shareholders on 29 September 2016³ and 31 March 2017⁴ respectively at a total cost of \$0.756 million (2016: two fully franked dividends of 0.50 cent each paid in September 2015 and in March 2016).

Bentley's 31 July 2017 pre and post-tax NTA backing was \$0.1619 per share (unaudited).⁵

1 Refer Bentley's ASX announcement dated [15 January 2009: Notice of Meeting and released on ASX on 23 January 2009](#)

2 Refer Bentley's ASX announcement dated [10 May 2010: Appointment of Chief Investment Officer and Implementation of Investment Strategy](#)

3 Refer Bentley's ASX announcement dated [31 August 2016: Declaration of Dividend](#)

4 Refer Bentley's ASX announcement dated [28 February 2017: Declaration of Dividend](#)

5 Refer Bentley's ASX announcement dated [14 August 2017: NTA Backing as at 31 July 2017](#)

DIRECTORS' STATUTORY REPORT

OPERATING RESULTS

CONSOLIDATED	June 2017 \$'000	June 2016 \$'000
Net gain on financial assets held at fair value through profit or loss	-	2,998
Dividends	132	32
Interest	30	150
Other income	28	78
Total revenue	190	3,258
Net loss on financial assets held at fair value through profit or loss	(245)	-
Share of Associate entities' loss	(1,374)	(100)
Software development expenses	(1,382)	(1,138)
Salaries, fees and employee benefits	(359)	(700)
Investment expenses	(25)	(84)
Corporate expenses	(64)	(66)
Administration and other expenses	(420)	(644)
Total expenses	(3,869)	(2,732)
Profit/(Loss) before income tax expense	(3,679)	526
Income tax expense	-	-
Profit/(Loss) after income tax expense	(3,679)	526

The share of Associate entities' loss of \$1.374 million relates to Bentley's investment in Keybridge Capital Limited (ASX:[KBC](#)) – Bentley notes that the 30 June 2017 carrying value of its 31,700,000 shareholding in KBC was 12.07 cents per share (worth \$3.825 million), which compares with KBC's closing bid price of 9.3 cents (worth \$2.948 million) and KBC's net asset backing of 14.92 cents (worth \$4.73 million) (both as at 30 June 2017).

Bentley accounts for KBC as an Associate entity (with effect from 1 January 2017), which means that Bentley is required to recognise a share of KBC's net profit or loss in respect of the financial year based on Bentley's (19.96% as at 30 June 2017) shareholding interest in KBC (this is known as the equity method of accounting for an associate entity). Accordingly, as KBC incurred a net loss of \$6.446 million for the year, Bentley is required to recognise a 19.96% share of this loss (calculated as at each month end through the course of the year from 1 January 2017), being \$1.474 million, in Bentley's own accounts for the year. This share of KBC's net loss is a key contributor to Bentley's net loss for the year.

Thus, KBC's net loss position has a flow on effect up to Bentley, which has caused a significant net loss being incurred at the Bentley level that is unrelated to Bentley's direct activities or operations.

Bentley notes that KBC has incurred a net loss for the year due largely to a significant provision for impairment made in respect of a legacy loan receivable asset held by KBC. As outlined in KBC's ASX announcement dated [25 August 2017: Update – Private Equity Loan Receivable](#):

- KBC Directors reduced the carrying value of the loan receivable from US\$5.01 million to US\$0.394 million (A\$0.511 million) in light of an assessment of the underlying value of the security provided for the loan, which resulted in KBC recognising a US\$4.611 million (A\$5.996 million) provision for impairment expense for the year;
- The loan receivable relates to a US\$4.3m limited recourse promissory note (**Note**) secured (via collateral pledged) over a private equity fund which holds investments in US-based manufacturing/distribution businesses (**Fund**);

DIRECTORS' STATUTORY REPORT

- The Note arose out of a restructure in April 2013 where, as part of arrangements to exit legacy aviation investments (made whilst KBC was known as Mariner Bridge Investments Limited in 2006/2007) for US\$29.7 million cash, KBC sold its interest in the Fund for US\$4.3 million fully funded by a KBC loan with recourse only to that asset sold (i.e. the Note) – in both instances, well before the current Board of KBC were appointed as Directors;
- In August 2017, KBC received the Fund's 30 June 2017 Quarterly Report which disclosed a significant reduction in the Fund's gross asset position as well as notice from the Noteholder advising that it is 'highly unlikely that the Note will be satisfied on or before its scheduled maturity' (on 29 December 2017) and proposing a 3-year extension of the Note term or a 'buy-out' (retirement) of the Note for US\$0.394 million;
- In light of these matters, the KBC Board reduced the carrying value of the Note (receivable) to US\$0.394 million pending a review of its position vis a vis the correspondence received and the terms of the Note.

EARNINGS/(LOSS) PER SHARE

CONSOLIDATED	June 2017	June 2016
Earnings/(Loss) per share (cents)	(4.85)	0.70

FINANCIAL POSITION

CONSOLIDATED	June 2017 S'000	June 2016 S'000
Investments	5,142	11,712
Investment in Associate entities	3,825	2,790
Non-current asset held for sale	2,207	-
Cash and cash equivalents	569	1,345
Net deferred tax asset/liabilities	-	-
Intangible assets	207	604
Other assets	212	129
Liabilities	(210)	(292)
Net assets	11,952	16,288
Issued capital	19,477	19,379
Profits reserve	2,791	3,520
Accumulated losses	(10,316)	(6,611)
Total equity	11,952	16,288

The Company's Profits Reserve is available to fund dividend payments, declared from time to time. The Company also has a \$1.50 million Franking Credit balance (as at 30 June 2017), which is sufficient to support the payment of up to \$3.95 million in fully franked dividends.

DIRECTORS' STATUTORY REPORT

DIVIDENDS

Consistent with its stated Dividend Policy to make annual distributions of at least one cent per share (referred to below), the Directors have declared payment of a fully franked dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking
0.50 cent per share	17 August 2017	31 August 2017	100% franked

The Company's Dividend Reinvestment Plan (DRP) applied to this dividend (with the DRP issue price set at a 2.5% discount to Bentley's volume weighted average price on ASX in the 5 day period up to and including the dividend record date).

A copy of Bentley's recently updated [DRP Rules](#)⁶ and [DRP Application Form](#) may be obtained from the Company or downloaded from the Company's website: <http://bel.com.au/forms>

The Company paid two fully franked dividends during the financial year at a total cost of \$0.756 million as follows (2016: two fully franked dividends of 0.50 cent each paid in September 2015 and in March 2016):

Dividend Rate	Record Date	Payment Date	DRP Issue Price (cents)	DRP Shares Issued
0.5 cent per share	24 March 2017	31 March 2017	13.71	354,893
0.5 cent per share	22 September 2016	29 September 2016	13.99	358,298

Dividend Policy

It is the objective of Bentley to provide a regular and stable distribution to shareholders after the announcement of its December half year end and June year end NTA backing results. These NTA backings are normally announced in mid January and July each year respectively and Bentley will endeavour to announce its proposed distribution at this time.

Bentley has brought forward these distribution announcement dates under its recently updated Dividend Policy⁷ as previously, Bentley announced its proposed distribution after the release of its half year and full year operating results at the end of February and August respectively. This change in policy is due to Bentley having a reasonable current level of Profits Reserve to fund a dividend distribution, which means Bentley is not reliant on funding dividends only from net profits generated in respect of a half year or full year period.

Bentley intends to make annual distributions to shareholders of at least one cent per share, to the extent permitted by law and subject to prudent business practice. It is envisaged that shareholder distributions will be made twice per year. Dividends will be franked to the extent that available franking credits permit. Capital returns will be subject to prior shareholder approval.

CAPITAL MANAGEMENT

Securities on Issue

The Company has 76,127,918 (2016: 75,414,727) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

The Company issued 713,191 new shares during the financial year as a consequence of shareholders' participation under the Company's DRP, at an average price of \$0.1385 per share (2016: 614,516 shares at \$0.1381 each).

⁶ Refer Bentley's ASX Announcement dated [1 August 2017: Updated Dividend Reinvestment Plan](#)

⁷ Refer Bentley's ASX Announcement dated [1 August 2017: Updated Dividend Policy](#)

DIRECTORS' STATUTORY REPORT

REVIEW OF OPERATIONS

Net Asset Weightings

A summary of Bentley's net asset weighting (by value and as a percentage of net assets) is:

Net Assets	30 June 2017		30 June 2016	
	\$'m	%	\$'m	%
Australian equities ¹	11.17	93.5	14.50	95.2
Intangible assets ²	0.21	1.7	0.60	3.9
Provision for income tax	-	-	-	-
Net cash on deposit/other assets/provisions	0.57	4.8	1.19	0.9
Total Net Assets	11.95	100	16.29	100
NTA Backing per share	\$0.1543		\$0.2080	
Adjusted NTA Backing per share (with dividends paid during the 2016/2017 year added back)	\$0.1642		N/A	

1. Includes an investment in the CBG Australian Equities Fund (Wholesale) (CBG Fund)
2. Capitalised software, Internet and applications development costs

Major Holdings

A summary of Bentley's major investment holdings (by value and as a percentage of net assets) is:

Security	ASX Code	Industry Sector	30 June 2017		30 June 2016	
			\$'m	%	\$'m	%
CBG Australian Equities Fund	-	Diversified	3.95	33.1	4.82	29.6
Keybridge Capital Limited	KBC	Diversified	3.83 ³	32.0	4.31	26.5
Strike Resources Limited	SRK	Metals & Mining	2.21 ⁴	18.5	2.79 ³	17.1
Other listed securities	Various	Various	1.19	9.9	2.58	15.8

3. Investment in Associate entity carried at fair value based on equity accounting
4. Non-Current Asset Held for Sale carried at fair value (ASX market) less selling costs

Subsequent to the balance date (and to 25 August 2017), Bentley has:

- (a) realised gross proceeds of \$0.895 million from the sale of listed securities; and
- (b) invested \$0.453 million in listed securities.

Investment in [Keybridge Capital Limited \(ASX:KBC\)](#)

As at 30 June 2017 and currently, Bentley is the second largest shareholder in KBC with 31,700,000 shares (19.96%⁸) (30 June 2016: 27,800,000 KBC shares (17.50%)), which were acquired at an average cost of \$0.1672 per share.

Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the solar (Spain), private equity (US), life insurance (New Zealand), property and funds management sectors and strategic holdings in [HHY Fund \(ASX:HHY\)](#), [Molopo Energy Limited \(ASX:MPO\)](#) and [Metgasco Limited \(ASX: MEL\)](#).

Bentley Directors (William Johnson and Simon Cato) are on the Board of Keybridge⁹.

During the year, KBC shares traded on ASX within a range of \$0.081 to \$0.18 with a closing price of \$0.10 (and \$15.88 million market capitalisation) as at 30 June 2017 and a current closing price of \$0.085 (as at 30 August 2017).

⁸ Refer Bentley's ASX Announcement dated [8 July 2016: Change in Substantial Holding in KBC](#)

⁹ Refer KBC's ASX announcement dated [29 July 2016: Results of General Meeting and Board Changed](#) and [Notice of General Meeting](#) dated 7 June 2016

DIRECTORS' STATUTORY REPORT

With effect on 1 January 2017, Bentley classified its shareholding in Keybridge from being an investment in a financial asset (valued based on the last bid price on ASX under [AASB 13](#)) to being an investment in an Associate entity (valued under the equity method pursuant to Accounting Standard [AASB 128](#)). Further information are in Note 22 (Investment in Associate Entities) of the accompanying financial statements.

As at 30 June 2017, Bentley's investment in KBC had a carrying value of \$0.1207 per share (\$3.825 million); this compares with KBC's last bid price on ASX of \$0.093 per share (\$2.948 million) and KBC's after-tax net asset backing of \$0.1492 per share (\$4.73 million) as at 30 June 2017.

As at 31 July 2017, Bentley's investment in KBC had a carrying value of \$0.1188 per share (\$3.766 million); this compares with KBC's last bid price on ASX of \$0.095 per share (\$3.17 million) and KBC's after-tax net asset backing of \$0.1475 per share¹⁰ (\$4.675 million) as at 31 July 2017.

Further information about KBC's investments are contained in their ASX releases, including as follows:

- 31 August 2017: 2017 Full Year Report; and
- 14 August 2017: Monthly Net Asset Backing – July 2017.

Information concerning KBC may be viewed from its website: www.keybridge.com.au

KBC's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "[KBC](#)"

Investment in [Strike Resources Limited](#) (ASX : [SRK](#))

As at 30 June 2017 and currently, Bentley is the largest shareholder in SRK with 52,553,493 (36.16%¹¹) (30 June 2016: 52,553,493 SRK shares (36.16%)), which were acquired at an average cost of 5.5 cents per share.

Bentley Chairman (Farooq Khan) is also Chairman of Strike and Bentley Executive Director (William Johnson) is the Managing Director Strike.

Strike owns the high grade [Apurimac Magnetite Iron Ore Project](#) and [Cusco Magnetite Iron Ore Project](#) in Peru and is currently developing its [Burke Graphite Project](#) in Queensland and [lithium](#) exploration tenements in Western Australia; Strike also retains relatively strong cash reserves of [~\\$5.3 million](#) (as at 30 June 2017)¹².

During the year, SRK shares traded on ASX within a range of 4 to 7.8 cents with a closing price of 4.1 cents (and \$5.96 million market capitalisation) as at 30 June 2017 and a current closing price of 4 cents (as at 30 August 2017).

On 14 December 2016, Strike announced that it had entered into a conditional sale agreement with a subsidiary of Chinese industrial and financial group [Zhongrong Xinda Group](#) Co. Ltd. ([Zhongrong Xinda](#)) to sell Strike's [Apurimac](#) and [Cusco](#) Iron Ore Projects in Peru for US\$10 million. Under the terms of the agreement, Zhongrong Xinda was required to complete its due diligence by 30 April 2017, at which time the parties were also expected to complete the final documentation relating to the sale. However, on 29 April 2017, Strike received formal notification from Zhongrong Xinda that it was no longer interested in acquiring the Peru projects.¹³ Strike has advised that it will continue to explore the potential sale of its Peru assets with other interested parties, together with alternative strategies to realise value from these assets.¹⁴

¹⁰ Refer KBC's ASX Announcement dated [14 August 2017: Net Asset Backing - July 2017](#) and dated [25 August 2017: Update - Private Equity Loan Receivable](#)

¹¹ Refer Bentley's ASX Announcement dated [4 September 2015: Change in Substantial Holding in SRK](#)

¹² Refer SRK's ASX Announcement dated [28 July 2017: June 2017 Quarterly Report](#)

¹³ Refer SRK's ASX release dated [1 May 2017: Quarterly Report – March 2017](#)

¹⁴ Refer SRK's ASX release dated [9 August 2017: 30 June 2017 Full Year Report](#)

DIRECTORS' STATUTORY REPORT

As a consequence of the change in Strike's circumstances pertaining to the sale announcement referred to above, with effect on 31 December 2016, Bentley determined to change the accounting treatment of its shareholding in Strike from being an investment in an Associate entity (accounted under Accounting Standard [AASB 128](#)) to being an investment in a Non-Current Asset Held For Sale (accounted under [AASB 5](#)).

As at 30 June 2017, Bentley's investment in Strike had a carrying value of \$2.207 million, based on SRK's last bid price on ASX of 4.2 cents per share as at 30 June 2017.

As at 31 July 2017, Bentley's investment in Strike had a carrying value of \$2.102 million, based on SRK's last bid price on ASX of 4 cents per as at 31 July 2017.

Further information about Strike's current projects and activities are contained in their ASX releases, including as follows:

- 9 August 2017: 30 June [2017 Full Year Report](#); and
- 26 July 2017: [June 2017 Quarterly Reports](#).

Information concerning SRK may be viewed from its website: www.strikeresources.com.au.

SRK's market announcements may also be viewed from the ASX website (www.asx.com.au) under ASX code "[SRK](#)".

Investment in the CBG Australian Equities Fund (Wholesale) (CBG Fund)¹⁵

As at 30 June 2017, Bentley had \$3.95 million (33.09% of its net assets) invested in the CBG Australian Equities Fund (Wholesale) (CBG Fund) (2016: 29.62% and \$4.82 million).

The 12-month performance of the CBG Fund to 30 June 2017 was +1.8% (2016: +2.0%) compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of +0.2% (2016: +0.6%).

In July 2017, Bentley received \$0.119 million income distributions from the CBG Fund in respect of the financial year ended 30 June 2017 (2016: \$0.03 million). The 30 June 2017 carrying value above is "ex" entitlement to this income distribution.

Bentley's investment in the CBG Fund has generated a \$0.259 million realised gain and \$0.124 million unrealised loss for the financial year (2016: \$0.293 million unrealised loss and \$0.073 million realised gain). The investment's unrealised gain (from historical cost) is \$0.751 million (2016: \$0.03 million unrealised gain).

The CBG Fund is a wholesale fund not open to retail investors. The objective of the fund is to outperform the S&P/ASX 200 Accumulation Index over the medium term. The Investment Manager is "style neutral" and invests in growth stocks, value stocks, stocks with maintainable dividend yields and special situations.

Bentley is able to redeem its investment in the CBG Fund at short notice without any exit fees.

CBG Fund details (as at 30 June 2017) provided by Investment Manager, [CBG Asset Management](#), are as follows:

- The equity weighting was 92.40% (2016: 93.65%);
- 90.32% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (2016: 85.7%) with the balance of 9.68% invested in companies outside of the S&P/ASX 200 Index (2016: 14.3%); and
- The equity portfolio contained 38 holdings (2016: 45 holdings).

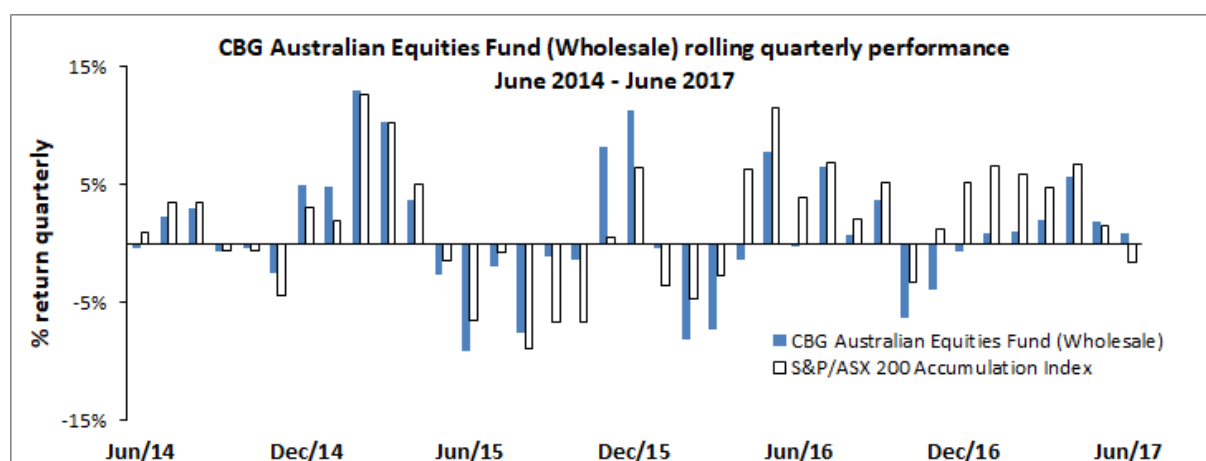
¹⁵ Based on information provided by investment manager, [CBG Asset Management Limited](#)

DIRECTORS' STATUTORY REPORT

CBG Fund Returns To: 30 June 2017	1 mth %	3mths %	6mths %	1yr %	2yrs % p.a.	3yrs % p.a.	Since Inception % p.a.
CBG Fund	1.8%	0.9%	2.8%	5.9%	3.9%	4.1%	9.1%
ASX / S&P 200 Accumulation Index	0.2%	-1.6%	3.2%	14.1%	7.1%	6.6%	8.2%

The monthly performance of the CBG Fund for July 2017 was +0.1% compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of nil%.

CBG Fund Returns To: 31 July 2017	1 mth %	3mths %	6mths %	1yr %	2yrs % p.a.	3yrs % p.a.	Since Inception % p.a.
CBG Fund	0.1%	-0.5%	5.1%	-0.7%	1.3%	2.9%	9.0%
ASX / S&P 200 Accumulation Index	nil%	-2.6%	4.0%	7.3%	4.8%	5.1%	8.1%



Source: CBG Asset Management Limited

Notes:

- Shows the net return of the fund over the preceding 3 months for each quarter, compared with that of the benchmark ASX/S&P 200 Accumulation Index.
- The information in the table is historical and the past performance of the CBG Australian Equities Fund (Wholesale) is not a reliable predictor of the future performance of such fund; CBG have not made any representation to the Company that it will achieve any specific future rate of return on the fund.

DIRECTORS' STATUTORY REPORT

CBG Fund Top 20 Holdings			CBG Fund Sector Weights	
ASX Code	Asset Name	Fund Weight 30-Jun-17		Fund Weight 30-Jun-17
CBA	COMMONWEALTH BANK OF AUSTRALIA	9.5%	Financials (ex-Real Estate)	31.7%
WBC	WESTPAC BANKING CORPORATION	6.2%	Materials	11.5%
BHP	BHP BILLITON LIMITED	5.8%	Industrials	10.9%
NAB	NATIONAL AUSTRALIA BANK LIMITED	4.9%	Health Care	9.7%
CSL	CSL LIMITED	4.7%	Consumer Discretionary	7.6%
LLC	LENLEASE GROUP	4.6%	Cash/Hybrids/Fixed Interest	7.6%
ANZ	ANZ BANKING GROUP LIMITED	4.4%	Real Estate	7.5%
JHG	JANUS HENDERSON GROUP PLC	3.9%	Information Technology	7.1%
LNK	LINK ADMINISTRATION HOLDINGS LIMITED	3.5%	Telecommunication Services	4.0%
TCL	TRANSURBAN GROUP	3.1%	Utilities	2.4%
MQA	MACQUARIE ATLAS ROADS GROUP	2.9%		
RHC	RAMSAY HEALTH CARE LIMITED	2.8%		
RIO	RIO TINTO LIMITED	2.8%		
SDA	SPEEDCAST INTERNATIONAL LIMITED	2.8%		
REA	REA GROUP LIMITED	2.7%		
APA	APA GROUP	2.4%		
BXB	BRAMBLES LIMITED	2.4%		
SUN	SUNCORP GROUP LIMITED	2.4%		
AHG	AUTOMOTIVE HOLDINGS GROUP	2.2%		
AVN	AVENTUS RETAIL PROPERTY FUND	2.0%		

Software, Internet and Applications Development

Bentley has a technology operation involved in software, Internet and applications development, which provides exposure to the Internet and social media applications as a potentially valuable investment and/or income generating opportunity.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of Bentley that occurred during the financial year not otherwise disclosed in this Directors' Report or the financial statements.

FUTURE DEVELOPMENTS

Bentley intends to continue its investment activities in future years. The results of these investment activities depend upon the performance of the underlying companies and securities in which Bentley invests. The investments' performances depend on many economic factors and also industry and company-specific issues. In the opinion of the Directors, it is not possible or appropriate to make a prediction on the future course of markets, the performance of Bentley's investments or forecast the likely results of Bentley's activities.

ENVIRONMENTAL REGULATION

Bentley is not subject to any particular or significant environmental regulation under Australian Commonwealth or State legislation.

DIRECTORS' STATUTORY REPORT

DIRECTORS

Directors in office during or since the financial year are as follows:

FAROOQ KHAN	Chairman
<i>Appointed</i>	Director since 2 December 2003; Chairman since 10 February 2004
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	11,717,586 ¹⁶
<i>Special Responsibilities</i>	Chairman of the Board and Investment Committee
<i>Other current directorships in listed entities</i>	(1) Executive Chairman and Managing Director of Queste Communications Ltd (ASX: QUE) (since 10 March 1998) (2) Executive Chairman of Orion Equities Limited (ASX: OEQ) (since 23 October 2006) (3) Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX: SRK) (Director since 1 October 2015)
<i>Former directorships in other listed entities in past 3 years</i>	Nil

WILLIAM M. JOHNSON	Executive Director
<i>Appointed</i>	Director since 13 March 2009; Executive Director since 1 January 2016
<i>Qualifications</i>	MA (<i>Oxon</i>), MBA
<i>Experience</i>	Mr Johnson holds a Masters degree in engineering science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30 year business career spans multiple industries and countries, with executive/CEO experience in oil and gas exploration (North Africa and Australia), mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in business strategy, investment analysis, finance and execution.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of the Investment, Audit and Remuneration Committees.
<i>Other current directorships in listed entities</i>	(1) Managing Director of Strike Resources Limited (ASX: SRK) (since 25 March 2013; Director since 14 July 2006) (2) Director of Keybridge Capital Limited (ASX: KBC) (since 29 July 2016) ¹⁷
<i>Former directorships in other listed entities in past 3 years</i>	Nil

¹⁶ Refer Bentley's ASX Announcements dated [22 March 2017: Change of Director's Interest Notice](#) and dated [22 March 2017: Notice of Initial Substantial Holder in BEL](#)

¹⁷ Refer KBC's [Notice of General Meeting](#) dated 7 June 2016 and ASX Announcement dated [29 July 2016: Results of General Meeting and Board Changed](#)

DIRECTORS' STATUTORY REPORT

SIMON K. CATO	Non-Executive Director
<i>Appointed</i>	7 January 2015
<i>Qualifications</i>	B.A. (Sydney)
<i>Experience</i>	Mr Cato has had over 30 years capital markets experience in broking, regulatory roles and as a director of listed companies. He was initially employed by the ASX in Sydney and then in Perth. From 1991 until 2006 he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he was also involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently he holds a number of non-executive roles with other listed companies in Australia.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Chairman of the Audit and Remuneration Committees
<i>Other current directorships in listed entities</i>	(1) Non-Executive Chairman of Advanced Share Registry Limited (ASX:ASW) (since 22 August 2007) (2) Non-Executive Director of Greenland Minerals and Energy Limited (ASX:GGG) (since 21 February 2006) (3) Non-Executive Director of Keybridge Capital Limited (ASX:KBC) (since 29 July 2016) ²⁰
<i>Former directorships in other listed entities in past 3 years</i>	Nil

At the Company's 2016 AGM¹⁸, Farooq Khan retired as a Director (having been appointed by the Board since the last AGM) pursuant to the Company's Constitution and was re-elected a Director at that AGM.

COMPANY SECRETARY

VICTOR P. H. HO	Company Secretary
<i>Appointed</i>	5 February 2004
<i>Qualifications</i>	BCom, LLB (Western Australia), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 17+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the investment management of listed investment companies (as an Executive Director and or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
<i>Special Responsibilities</i>	Member of the Investment Committee and Secretary of the Audit and Remuneration Committees
<i>Relevant interest in shares</i>	50,000 ordinary shares (held indirectly)
<i>Other positions held in listed entities</i>	(1) Executive Director and Company Secretary of Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Executive Director and Company Secretary of Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) (3) Executive Director and Company Secretary of Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015) (4) Company Secretary of Keybridge Capital Limited (ASX:KBC) (since 11 October 2016)
<i>Former position in other listed entities in past 3 years</i>	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

¹⁸ Refer Bentley's ASX Announcement dated [18 November 2016: Results of 2016 Annual General Meeting](#)

DIRECTORS' STATUTORY REPORT

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the year (excluding Directors' circulatory resolutions) and the numbers of meetings attended by each Director of the Company:

Name of Director	Board Meetings		Audit Committee		Remuneration Committee	
	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings
Farooq Khan	6	6	-	-	-	-
William Johnson	6	6	2	2	1	1
Simon Cato	6	6	2	2	1	1

Audit Committee

The current composition of the Audit Committee is Simon Cato (as Chairman) and William Johnson. The Audit Committee has a formal charter to prescribe its objectives, duties and responsibilities, access and authority, composition, membership requirements of the Committee and other administrative matters. Its function includes reviewing and approving the audited annual and reviewed half-yearly financial reports, ensuring a risk management framework is in place, reviewing and monitoring compliance issues, reviewing reports from management and matters related to the external auditor. A copy of the [Audit Committee Charter](http://bel.com.au/corporate-governance) may be downloaded from the Company's website: <http://bel.com.au/corporate-governance>

Remuneration Committee

The composition of the Remuneration Committee is Simon Cato (as Chairman) and William Johnson. A copy of the [Remuneration Committee Charter](#) may also be downloaded from the Company's website.

REMUNERATION REPORT

This Remuneration Report details the nature and amount of remuneration for each Director and Company Executive (being a company secretary or senior manager) (**Key Management Personnel**) of the Company.

The information provided under headings (1) to (6) below has been audited for compliance with [section 300A](#) of the *Corporations Act 2001 (Cth)* as required under [section 308\(3C\)](#).

(1) Remuneration Policy

The Board (with guidance from the Remuneration Committee) determines the remuneration structure of all Key Management Personnel having regard to the Consolidated Entity's strategic objectives, scale and scope of operations and other relevant factors, including experience and qualifications, length of service, market practice (including available data concerning remuneration paid by other listed companies and in particular, companies of comparable size and nature), the frequency of Board meetings, the duties and accountability of Key Management Personnel and the objective of maintaining a balanced Board which has appropriate expertise and experience, at a reasonable cost to the Company.

The Remuneration Committee: The Committee has a formal charter to prescribe its purpose, key responsibilities, composition, membership requirements, powers and other administrative matters. A purpose of the Committee is to assist the Board to adopt and implement a remuneration system that is required to attract, retain and motivate company personnel. In carrying out this 'remuneration function', the Committee's key responsibilities are to:

- make recommendations to the Board on the specific benefits to be provided to the Executive Chairman/Managing Director and any other Executive Director, including equity-based remuneration; and
- assist the Executive Chairman/Managing Director to determine the remuneration (including equity-based remuneration) of 'Senior Management' (being executive direct reports to the Managing Director and other senior employees) and advise on those determinations.

A copy of the [Remuneration Committee Charter](#) may also be downloaded from the Company's website: <http://bel.com.au/corporate-governance>

Corporate Governance Principles: The Company's Corporate Governance Statement (CGS) also addresses matters pertaining to the Board, Senior Management and Remuneration. The latest version of the CGS may be downloaded from the Company's website: <http://bel.com.au/corporate-governance>

Fixed Cash Short-term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of \$110,000¹⁹ per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

The Board has determined the following fixed cash remuneration for current Key Management Personnel during the year as follows:

Executive Directors

- (1) Mr Farooq Khan (Executive Chairman) – a base salary of \$175,000 per annum plus employer superannuation contributions; and
- (2) Mr William Johnson – a base salary of \$37,000 per annum plus employer superannuation contributions.

¹⁹ As approved by shareholders at the Annual General Meeting held on 24 November 2005; refer Bentley's ASX announcement dated [25 October 2015: Notice of Annual General Meeting](#) and Bentley's ASX announcement dated [24 November 2005: Results of 2015 AGM](#)

REMUNERATION REPORT

Non-Executive Director

- (3) Mr Simon Cato - a base fee of \$24,000 per annum plus employer superannuation contributions;

Company Executive/Senior Manager

- (4) Mr Victor Ho (Company Secretary) - a base salary of \$85,000 per annum plus employer superannuation contributions.

Special Exertions and Reimbursements: Pursuant to the Company's Constitution, each Director is also entitled to receive:

- (a) Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and
- (b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

Short-Term Benefits: The Company Secretary has the opportunity to earn performance-related cash bonuses as agreed with the Company from time to time pursuant to the terms of his employment agreement. However, no bonus schemes have been set for the Company Secretary. Members of the Company's Investment Committee are entitled to participate under the Company's Performance Bonus Scheme (PBS) - further details are disclosed below. The Company does not otherwise have any short-term incentive (STI) cash bonus schemes (or equivalent) in place for Key Management Personnel.

Long-Term Benefits: Save for the PBS, the Company does not have any long-term incentive (LTI) cash bonus schemes (or equivalent) in place for Key Management Personnel.

Equity-Based Benefits: The Company does not presently have any equity (shares or options) based remuneration arrangements for any personnel pursuant to any executive or employee share or option plan or otherwise.

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel. Other than early termination benefits disclosed in 'Employment Agreement' below, Key Management Personnel also have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (these accrued employee entitlements are not applicable in respect of Non-Executive Directors). The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

Performance-Related Benefits and Financial Performance of Company: Save for any applicable performance-related cash bonus schemes in place for the Company Secretary or the PBS, the current remuneration of Key Management Personnel is fixed, is not dependent on the satisfaction of a performance condition and is unrelated to the Company's performance.

The Company's PBS has conditions for payment being related to the Company's financial performance. If the conditions for payment under the PBS have been satisfied, the Company will pay cash bonuses to members of the Investment Committee (being the Executive Directors and the Company Secretary). Refer to Section (2) below for further information about the PBS.

REMUNERATION REPORT

In considering the Company's performance and its effects on shareholder wealth, Directors have had regard to the data set out below for the latest financial year and the previous four financial years.

	2017	2016	2015	2014	2013
Profit/(Loss) Before Income Tax	(\$3,678,516)	\$526,080	(\$267,300)	\$792,910	(\$336,712)
Basic Earnings/(Loss) per share (cents)	(4.85)	0.70	(0.36)	1.08	(0.46)
Dividends Paid (total)	\$755,931	\$749,389	\$1,111,395	\$733,505	-
Dividends Paid (per share)	\$0.01	\$0.01	\$0.015	\$0.01	-
Capital Returns Paid (total)	-	-	-	\$733,505	\$1,467,012
Capital Returns Paid (per share)	-	-	-	\$0.01	\$0.02
VWAP Share Price on ASX for financial year	\$0.13	\$0.139	\$0.132	\$0.144	\$0.156
Closing Bid Share Price on ASX at 30 June	\$0.105	\$0.135	\$0.13	\$0.145	\$0.145

(2) Performance Bonus Scheme (PBS)

In order to align the interests of the Investment Committee and shareholders of the Company and to provide an appropriate incentive for the achievement of superior-to-market investment returns, the Company introduced the PBS for members of the Investment Committee (effective 1 May 2010).

The key elements of the PBS (applicable from 1 July 2015) are summarised as follows:

- (a) The performance of Bentley will be measured each financial half year (ending on 31 December and 30 June) by comparing the change over the half year in the net-asset value of Bentley with the change in the net assets of Bentley that would have resulted if the investment return was equal to that recorded by the ASX All Ordinaries Index (ASX code: XAO) (**Benchmark Index**).
- (b) 20% of any outperformance relative to the Benchmark Index is available for distribution to the Investment Committee each half year (**Performance Bonus Pool**).
- (c) Any underperformance in a half year will be carried forward up to the next three half years, such that underperformance in a half year must be 'clawed back' by outperformance before a performance bonus can be paid in the following three half years.
- (d) The net assets of Bentley are valued in accordance with Bentley's accounting policies and Australian Accounting Standards save for the following exclusions: any provisions or liabilities in respect of a Performance Bonus Pool, deferred tax assets and deferred tax liabilities or a provision for income tax expense.
- (e) The terms of the PBS are to be reviewed annually by the Board.
- (f) The Performance Bonus Pool is distributed to members of the Investment Committee pursuant to a resolution of the Board.
- (g) If Bentley has incurred a net loss for the financial half year, the Board may in exceptional circumstances at its absolute discretion withhold up to 50% of the Performance Bonus Pool applicable to that financial half year.

There were no entitlements arising under the PBS during the financial year (i.e. in respect of each of the half years ending 31 December 2016 and 30 June 2017).

REMUNERATION REPORT

(3) Details of Remuneration of Key Management Personnel

Details of the nature and amount of each element of remuneration of each Key Management Personnel paid or payable by the Company during the financial year are as follows:

2017		Short-term Benefits			Post-Employment Benefits	Other Long-term Benefits	Equity-Based	Total
Key Management Personnel	Performance-related %	Cash salary and fees \$	Cash PBS entitlement \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & options \$	Total \$
Executive Directors:								
Farooq Khan	-	174,999	-	-	16,625	-	-	191,624
William Johnson	-	35,292 ^(a)	-	-	3,353	-	-	38,645
Non-Executive Director:								
Simon Cato	-	18,000	-	-	8,280	-	-	26,280
Company Secretary:								
Victor Ho	-	84,999	-	-	8,075	-	-	93,074

2016		Short-term Benefits			Post-Employment Benefits	Other Long-term Benefits	Equity-Based	Total
Key Management Personnel	Performance-related %	Cash salary and fees \$	Cash PBS entitlement \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & options \$	Total \$
Executive Directors:								
Farooq Khan	59%	169,615 ^(b)	273,300	-	16,497	4,039	-	463,451
William Johnson	-	30,499	-	-	2,898	-	-	33,397
Non-Executive Director:								
Simon Cato	-	18,000	-	-	8,280	-	-	26,280
Company Secretary:								
Victor Ho	45%	78,580	83,196	-	15,979	6,232	-	183,987

Notes:

- Net of an adjustment of \$1,708 (gross) in respect of unpaid annual leave taken during the 2017 year.
- Net of an adjustment of \$1,346 (gross) in respect of unpaid annual leave taken during the 2016 year.
- Mr Johnson transitioned from Non-Executive Director to Executive Director with effect on 1 January 2016.

REMUNERATION REPORT

(4) Employment Agreements

Details of the material terms of employment agreements entered by the Company with Key Management Personnel are as follows:

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Terms
Victor Ho (Company Secretary)	8 May 2015 (date of employment agreement) 5 February 2004 (commencement date, being the date of appointment as Company Secretary) 1 May 2010 (date of effect of remuneration)	\$85,000 plus employer superannuation contributions (currently 9.5% of base salary) plus provision of office car parking	<ul style="list-style-type: none"> · The agreement has no fixed term or fixed rolling terms of service. · Commitment to a minimum prescribed hours per week over the course of a 5 day working week plus reasonable additional time required by the Company. · Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter. · 3 months' notice of termination by the Company and one month's notice of termination by employee. Immediate termination without notice if employee commits any serious act of misconduct. · Not prohibited from also concurrently performing the role of director or company secretary of any other company or companies, to the extent that that it does not interfere with the proper performance of duties under the agreement. · Entitlement to performance related cash bonuses as agreed with the Company from time to time – as at the date of this report, no bonus scheme has been established (save for the Performance Bonus Scheme)

The Company does not presently have formal service agreements or employment agreements with other Key Management Personnel.

(5) Other Benefits Provided to Key Management Personnel

No Key Management Personnel has during or since the end of the financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

(6) Engagement of Remuneration Consultants

The Company has not engaged any remuneration consultants to provide remuneration recommendations in relation to Key Management Personnel during the year. The Board has established a policy for engaging external Key Management Personnel remuneration consultants which includes, inter alia, that the Non-Executive Directors on the Remuneration Committee be responsible for approving all engagements of and executing contracts to engage remuneration consultants and for receiving remuneration recommendations from remuneration consultants regarding Key Management Personnel. Furthermore, the Company has a policy that remuneration advice provided by remuneration consultants be quarantined from Management where applicable.

REMUNERATION REPORT

(7) Shares held by Key Management Personnel

The number of ordinary shares in the Company held by Key Management Personnel is set below:

Key Management Personnel	Balance at 30 June 2016	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2017
Executive Directors:					
Farooq Khan	-	11,717,586 ²⁰	-	-	11,717,586
William Johnson	-	-	-	-	-
Non-Executive Director:					
Simon Cato	-	-	-	-	-
Company Secretary:					
Victor Ho	50,000	-	-	-	50,000

Note: The disclosures of shareholdings above are in accordance with the accounting standards which require disclosure of shares held directly, indirectly or beneficially by each key management person, a close member of the family of that person, or an entity over which either of these persons have, directly or indirectly, control, joint control or significant influence (as defined under Accounting Standard [AASB 124](#) Related Party Disclosures).

(8) Voting and Comments on the Remuneration Report at the 2016 AGM

At the Company's most recent (2016) AGM, a resolution to adopt the prior year (2015) Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (84%) support in favour of adopting the Remuneration Report.²¹ No comments were made on the Remuneration Report at the AGM.

This concludes the audited Remuneration Report.

²⁰ Refer Bentley's ASX Announcements dated [22 March 2017: Change of Director's Interest Notice](#) and dated [22 March 2017: Notice of Initial Substantial Holder in BEL](#).

²¹ Refer Bentley's ASX announcement dated [18 November 2016: Results of 2016 Annual General Meeting](#)

DIRECTORS' REPORT

DIRECTORS' AND OFFICERS' INSURANCE

The Company insures Directors and Officers against liability they may incur in respect of any wrongful acts or omissions made by them in such capacity (to the extent permitted by the *Corporations Act 2001 (Cth)*) (**D&O Policy**). Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

DIRECTORS' AND OFFICERS' DEEDS

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the *Corporations Act 2001 (Cth)*), the Company has also entered into a deed with each of the Directors and the Company Secretary (**Officer**) to regulate certain matters between the Company and each Officer, both during the time the Officer holds office and after the Officer ceases to be an officer of the Company, including the following matters:

- (a) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and
- (b) Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

LEGAL PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of such proceedings. The Company was not a party to any such proceedings during and since the financial year.

AUDITORS

Details of the amounts paid or payable to the Auditors for audit and non-audit services provided during the financial year are set out below:

Auditor	Audit & Review Fees \$	Non-Audit Services \$	Total \$
Rothsay Auditing	22,000	-	22,000

The Board is satisfied that the provision of non-audit services by the auditor during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*. The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and APES 110 Code of Ethics for Professional Accountants: Professional Independence, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Rothsay Auditing continues in office in accordance with [section 327](#) of the *Corporations Act 2001 (Cth)*.

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under [section 307C](#) of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 25. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in the Review of Operations) or the financial statements or notes thereto (in particular Note 26 (Events occurring after the reporting period)), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board,



Farooq Khan
Chairman



Simon Cato
Non-Executive Director

31 August 2017

*R*OTHSAY

Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Bentley Capital Limited
Level 2 23 Ventnor Ave
West Perth WA 6005

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2017 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 31 August 2017



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Note	2017	2016
		\$	\$
REVENUE			
Investment	2		
Dividend revenue		132,245	31,893
Interest revenue		30,462	149,834
Other			
Net gain on financial assets at fair value through profit or loss		-	2,998,568
Other income		27,694	78,202
TOTAL REVENUE AND INCOME		190,401	3,258,497
EXPENSES	3		
Net loss on financial assets at fair value through profit or loss		(244,571)	-
Share of Associate entities' loss		(1,374,117)	(100,204)
Provision for doubtful debt - convertible note		-	(132,782)
Software development expenses		(1,382,398)	(1,137,732)
Investment expenses		(25,393)	(84,363)
Occupancy expenses		(53,148)	(33,918)
Corporate expenses		(63,682)	(65,942)
Finance expenses		(7,134)	(8,641)
Administration expenses		(718,474)	(1,168,835)
PROFIT/(LOSS) BEFORE INCOME TAX		(3,678,516)	526,080
Income tax expense	5	-	-
PROFIT/(LOSS) FOR THE YEAR		(3,678,516)	526,080
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		(3,678,516)	526,080
EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted earnings/(loss) per share (cents)	6	(4.85)	0.70

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	7	568,422	1,344,723
Financial assets at fair value through profit or loss	8	5,141,987	11,712,339
Non-current asset held for sale	9	2,207,246	-
Receivables	12	185,984	98,568
Other current assets		3,649	3,650
TOTAL CURRENT ASSETS		8,107,288	13,159,280
NON-CURRENT ASSETS			
Receivables	12	10,113	10,113
Investment in Associate entities	22	3,825,192	2,790,238
Intangible assets	13	207,345	604,479
Property, plant and equipment		11,754	15,336
Deferred tax asset	5	9,015	9,835
TOTAL NON-CURRENT ASSETS		4,063,419	3,430,001
TOTAL ASSETS		12,170,707	16,589,281
CURRENT LIABILITIES			
Payables	14	29,258	124,039
Provisions	15	180,370	167,686
TOTAL CURRENT LIABILITIES		209,628	291,725
NON-CURRENT LIABILITIES			
Deferred tax liability	5	9,015	9,835
TOTAL NON-CURRENT LIABILITIES		9,015	9,835
TOTAL LIABILITIES		218,643	301,560
NET ASSETS		11,952,064	16,287,721
EQUITY			
Issued capital	16	19,477,385	19,378,595
Profits reserve	17	2,790,918	3,520,118
Accumulated losses		(10,316,239)	(6,610,992)
TOTAL EQUITY		11,952,064	16,287,721

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Note	Issued capital \$	Profits reserve \$	Accumulated losses \$	Total \$
BALANCE AT 1 JULY 2015		19,293,706	677,596	(3,545,165)	16,426,137
Profit for the year		-	-	526,080	526,080
Profits reserve transfer		-	3,591,907	(3,591,907)	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	3,591,907	(3,065,827)	526,080
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	18	84,889	-	-	84,889
Dividends paid	18	-	(749,385)	-	(749,385)
BALANCE AT 30 JUNE 2016		19,378,595	3,520,118	(6,610,992)	16,287,721
BALANCE AT 1 JULY 2016		19,378,595	3,520,118	(6,610,992)	16,287,721
Loss for the year		-	-	(3,678,516)	(3,678,516)
Profits reserve transfer		-	26,731	(26,731)	-
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	26,731	(3,705,247)	(3,678,516)
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	18	98,790	-	-	98,790
Dividends paid	18	-	(755,931)	-	(755,931)
BALANCE AT 30 JUNE 2017		19,477,385	2,790,918	(10,316,239)	11,952,064

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		49,568	115,014
Interest received		14,954	125,152
Other income received		36,592	101,170
Payments to suppliers and employees		(1,854,676)	(2,360,917)
Sale/Redemption of financial assets at fair value through profit or loss		5,098,771	4,481,952
Purchase of financial assets at fair value through profit or loss		(3,389,307)	(10,730,769)
NET CASH USED IN OPERATING ACTIVITIES	7(a)	(44,098)	(8,268,398)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Associate entity		-	13,167,143
Investment in Associate entity		-	(2,890,442)
Payments for intangible assets		(82,800)	(139,830)
Purchase of plant and equipment		(710)	(2,703)
NET CASH USED IN INVESTING ACTIVITIES		(83,510)	(3,032,975)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(648,633)	(655,530)
Return of capital		(60)	(1,191)
NET CASH USED IN FINANCING ACTIVITIES		(648,693)	(656,721)
NET INCREASE/(DECREASE) IN CASH HELD		(776,301)	1,209,049
Cash and cash equivalents at beginning of financial year		1,344,723	135,674
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	7	568,422	1,344,723

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

1. ABOUT THIS FINANCIAL REPORT

1.1 Background

This financial report covers the consolidated financial statement of the consolidated entity consisting of Bentley Capital Limited (the **Company**), its subsidiaries and investments in associates (the **Consolidated Entity** or **Bentley**). The financial report is presented in the Australian currency.

Bentley Capital Limited is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**).

These financial statements have been prepared on a streamlined basis where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Consolidated Entity.

Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Consolidated Entity;
- it helps to explain the impact of significant changes in the Consolidated Entity's business; or
- it relates to an aspect of the Consolidated Entity's operations that may be important to its future performance.

The notes to the financial statements are organised into the following sections:

- Key Performance:** Provides a breakdown of the key individual line items in the statement of comprehensive income that is most relevant to understanding performance and shareholder returns for the year:

Notes

2	Revenue
3	Expenses
4	Segment information
5	Tax
6	Earnings/(loss) per share

- Financial Risk Management:** Provides information about the Consolidated Entity's exposure and management of various financial risks and explains how these affect the Consolidated Entity's financial position and performance:

Notes

7	Cash and cash equivalents
8	Financial assets at fair value through profit or loss
9	Non-Current Asset held for sale
10	Financial risk management

- Other Assets and Liabilities:** Provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk:

Notes

11	Fair value measurement of financial instruments
12	Receivables
13	Intangible assets
14	Payables
15	Provisions

- Capital Structure:** This section outlines how the Consolidated Entity manages its capital structure and related financing costs (where applicable), as well as capital adequacy and reserves. It also provides details on the dividends paid by the Company:

Notes

16	Issued capital
17	Profits reserve
18	Dividends
19	Capital risk management

- Consolidated Entity Structure:** Provides details and disclosures relating to the parent entity of the Consolidated Entity, controlled entities, investments in associates and any acquisitions and/or disposals of businesses in the year. Disclosure on related parties is also provided in the section:

Notes

20	Parent entity information
21	Investment in controlled entities
22	Investment in associate entity
23	Related party transactions

- Other:** Provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements however, are not considered significant in understanding the financial performance or position of the Consolidated Entity:

Notes

24	Auditors' remuneration
25	Contingencies
26	Events occurring after the reporting period

Significant and other accounting policies that summarise the measurement basis used and presentation policies and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

1.2 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australia Accounting Interpretations and the *Corporations Act 2001 (Cth)*. The Company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with International Financial Reporting Standards (IFRS)

The consolidated financial statements of the Consolidated Entity comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Reporting Basis and Financial Statement Presentation

The financial report has been prepared on a going concern basis and is based on historical costs modified by the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The principal accounting policies adopted in the preparation of these financial statements have been consistently applied to all the years presented, unless otherwise stated.

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2017 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Bentley or the Consolidated Entity.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

1.4 Comparative Figures

Where required by the Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

1.5 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1.6 Impairment of Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets (where applicable) to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill and intangible assets (where applicable) with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

1.8 Summary of Accounting Standards Issued But Not Yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have been considered and is expected to have limited material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 9, and relevant amending standards	Financial Instruments	<p>AASB 9 replaces AASB 139 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.</p> <p>Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.</p> <p>There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.</p> <p>Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.</p> <p>For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.</p> <p>All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO.</p> <p>The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9.</p> <p>The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.</p>	Annual reporting periods beginning on or after 1 January 2018
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 <i>Business Combinations</i>.</p> <p>Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.</p> <p>AASB 2015-10 defers the mandatory effective date (application date) of AASB 2014-10 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2016.</p>	Annual reporting periods beginning on or after 1 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

1.8 Summary of Accounting Standards Issued But Not Yet Effective (continued)

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 2016-5	Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	<p>This Standard amends AASB 2 Share-based Payment, clarifying how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for:</p> <ul style="list-style-type: none"> • The effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments • Share-based payment transactions with a net settlement feature for withholding tax obligations • A modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. 	Annual reporting periods beginning on or after 1 January 2018
AASB 15, and relevant amending standards	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"> • Step 1: Identify the contract(s) with a customer • Step 2: Identify the performance obligations in the contract • Step 3: Determine the transaction price • Step 4: Allocate the transaction price to the performance obligations in the contract • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation 	Annual reporting periods beginning on or after 1 January 2018
AASB 2017-1	Amendments to Australian Accounting Standards – Transfers of Investments Property, Annual Improvements 2014-2016 Cycle and Other Amendments	<p>The amendments clarify certain requirements in:</p> <ul style="list-style-type: none"> • AASB 1 First-time Adoption of Australian Accounting Standards – deletion of exemptions for first-time adopters and addition of an exemption arising from AASB Interpretation 22 Foreign Currency Transactions and Advance Consideration • AASB 12 Disclosure of Interests in Other Entities – clarification of scope • AASB 128 Investments in Associates and Joint Ventures – measuring an associate or joint venture at fair value • AASB 140 Investment Property – change in use. 	Annual reporting periods beginning on or after 1 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2017

1.8 Summary of Accounting Standards Issued But Not Yet Effective (continued)

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB Interpretation 22	Foreign Currency Transactions and Advance Consideration	The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.	Annual reporting periods beginning on or after 1 January 2018
AASB 16	Leases	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 <i>Leases</i>. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p>	Annual reporting periods beginning on or after 1 January 2019

DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 26 to 55 are in accordance with the *Corporations Act 2001 (Cth)* and:
 - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and
 - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2017 and of their performance for the year ended on that date;
- (2) 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;
- (3) The Directors have been given the declarations required by [section 295A](#) of the *Corporations Act 2001 (Cth)* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the Directors made pursuant to [section 295\(5\)](#) of the *Corporations Act 2001 (Cth)*.



Farooq Khan
Chairman



Simon Cato
Non-Executive Director

31 August 2017

INVESTMENT MANDATE

The Investment Objectives of Bentley are to:

- Achieve a high real rate of return over the medium term, ideally comprising both income and capital growth, whilst operating within acceptable risk parameters set by the Board; and
- Deliver a regular income stream for shareholders.

1. INVESTMENT STRATEGY

Bentley will implement an actively managed investment strategy undertaking investments typically into one of two broad investment categories:

- Strategic Investments; and
- Non-strategic Investments.

Bentley will not allocate a fixed proportion of funds into each or any of the above investment categories, as it believes that complete flexibility to invest across these categories is key to maximising medium-term value growth for shareholders.

For each strategic and non-strategic investment, Bentley will expect to receive a level of return that is commensurate with the level of risk associated with such investment. In each investment and for the investment portfolio in aggregate, Bentley will at least aim to achieve a return that is consistently in excess of an appropriate benchmark share index and or a return which could be earned from investments in cash, bills of exchange or negotiable instruments drawn or endorsed by a bank, non-bank financial institution or a government.

(a) Strategic Investments

Bentley will seek to undertake investments in which it can reasonably expect to exert a degree of influence, including board representation or through playing an active role alongside management in order to enhance or realise shareholder value.

Investments will include those that have the potential for turnaround in profitability or capital appreciation through the introduction of new management, capital, improved business practices, industry rationalisation, and/or improved investor relations.

Strategic investments by their nature will rely heavily on Bentley's ability to identify, attract and exploit unique opportunities.

(b) Non-Strategic Investments

Bentley will seek to make non-strategic investments in entities where attractive investment opportunities develop due to market sentiment or mispricing or where Bentley sees other potential for generating positive returns. In contrast to strategic investments, with non-strategic investments Bentley does not envisage that it will take an active role in the management of the investment.

2. PORTFOLIO ALLOCATION

In executing its Investment Strategy, Bentley may, from time to time, hold a high proportion of net assets in cash, preferring to be patient and selective rather than filling its investment portfolio with mediocre or underperforming investments for the sake of becoming "fully-invested". Bentley will not be limited to the principles of broad diversification; in other words, Bentley may invest a significant proportion of funds in any single investment that represents an exceptional opportunity.

3. INVESTMENTS

Investments may be made by Bentley in Australia and overseas and into any underlying industry, business or sector, in accordance with Bentley's stated Investment Objectives and Strategies. In pursuit of the Investment Objectives and execution of the Investment Strategies outlined above, Bentley will have absolute discretion in applying its equity and any debt funds to a universe or range of potential investments in assets, businesses, securities, hybrid securities, cash, bills of exchange, other negotiable investments, debentures and other investments and structures.

4. MANAGEMENT OF INVESTMENTS

Bentley's investment decisions are carried out by its Investment Committee, which currently comprises Executive Chairman, Farooq Khan, Executive Director, William Johnson and Company Secretary, Victor Ho (in conjunction with external consultants and advisers where appropriate).

If it believed that it is in the best interests of Bentley, the Board may choose to delegate part or all of the responsibility for making investment decisions to an external investment manager, subject to the investment manager having appropriate capabilities, experience and the necessary Australian Financial Services Licence(s).

* *Investment Mandate was approved by shareholders at a general meeting held on [25 February 2009](#)*

LIST OF SHARE INVESTMENTS

SHARE INVESTMENT PORTFOLIO AS AT 30 JUNE 2017

Listed Investments	ASX Code	Industry	No of Units	Value (\$)	% of Portfolio
Keybridge Capital Limited	KBC	Diversified Financials	31,700,000	3,825,192 ^{1,2}	34.23%
Strike Resources Limited	SRK	Materials	52,553,493	2,207,247	19.75%
Carnarvon Petroleum Limited	CVN	Energy	5,200,000	405,600	3.63%
Pioneer Credit Limited	PNC	Diversified Financials	200,000	476,000	4.26%
Santos Limited	STO	Energy	100,000	303,000	2.71%
Miscellaneous listed securities	Various	Various	Various	2,683	0.02%
Total Listed Investments				7,219,721	64.61%
Unlisted Investment					
CBG Australian Equities Fund (Wholesale) (CBG Fund)			2,351,864	3,954,706	35.39%
TOTAL				11,174,428	100.00%

SHARE INVESTMENT PORTFOLIO AS AT 30 SEPTEMBER 2017

Listed Investments	ASX Code	Industry	No of Units	Value (\$)	% of Portfolio
Keybridge Capital Limited	KBC	Diversified Financials	31,700,000	3,727,402 ^{1,3}	35.81%
Strike Resources Limited	SRK	Materials	52,553,493	2,102,140	20.20%
Pioneer Credit Limited	PNC	Diversified Financials	200,000	490,000	4.71%
Santos Limited	STO	Energy	100,000	401,000	3.85%
BHP Billiton Limited	BHP	Materials	5,700	146,946	1.41%
Mayur Resources Limited	MRL	Materials	101,000	50,500	0.49%
Miscellaneous listed securities	Various	Various	Various	30,602	0.29%
Total Listed Investments				6,948,590	66.76%
Unlisted Investment					
CBG Fund			2,056,351	3,460,189	33.24%
TOTAL				10,408,779	100.00%

Notes:

- Investments in Associate entities (over which Bentley is considered to have significant influence) are carried at fair value based on equity accounting and not based on market value. Under the equity method, the carrying amount of an investment in an Associate entity is at initial cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial period to the relevant balance date. Refer Note 22 (Investment in Associate Entity) on page 53 of Annual Report for further information in this regard.
- Bentley has accounted for its investment in (Associate entity) KBC (31,700,000 shares being 19.96% of KBC's total issued share capital) at a carrying value of \$3.825 million (being \$0.1207 per share) (as at 30 June 2017).
- Bentley has accounted for its investment in (Associate entity) KBC (31,700,000 shares being 19.96% of KBC's total issued share capital) at a carrying value of \$3.727 million (being \$0.1176 per share) (as at 30 September 2017).

ADDITIONAL ASX INFORMATION

CORPORATE GOVERNANCE STATEMENT

The Company has adopted the [Corporate Governance Principles and Recommendations](#) (3rd Edition, March 2014) issued by the [ASX Corporate Governance Council](#) in respect of the financial year ended 30 June 2017.

Pursuant to [ASX Listing Rule 4.10.3](#), the Company's 2017 Corporate Governance Statement (dated on or about 31 October 2017) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: <http://bel.com.au/corporate-governance>

INVESTMENT TRANSACTIONS AND BROKERAGE

During the financial year ended 30 June 2017, Bentley entered into ~26 (2016: ~62) transactions for the purchase and sale of securities, incurring brokerage fees totalling ~\$13,262 (2016: ~\$63,242). Bentley undertook one redemption from the CBG Fund (2016: 1 redemption). There are no entry or exit fees applicable to the CBG Fund.

INVESTMENT MANAGEMENT AGREEMENT

Scarborough Equities Pty Ltd (**Scarborough**) (a wholly owned subsidiary of Bentley) and [CBG Asset Management](#) Limited ABN 120 098 327 809 AFSL 246790 (**CBG**) has entered into an Investment Management Agreement dated 9 December 2004 (**IMA**). Under the terms of the IMA: (a) CBG is to invest and manage Scarborough's investment portfolio in the CBG Australian Equities Fund (Wholesale) (**CBG Fund**) and (b) the management fees normally payable by participants in the CBG Fund is 1% per annum base management fee and a performance fee of 20% of the performance of the fund in excess of the S&P/ASX 200 Accumulation Index benchmark. A variable fee structure has been negotiated with a favourable rebate to the normal fees charged by the CBG Fund whilst still providing a material incentive to the Investment Manager for investment out performance to the benchmark. The payment of management fees to CBG occurs through the deduction by the manager of monies invested within the CBG Fund. The value of the investment in the CBG Fund is therefore net of fees payable to the manager from time to time. CBG's mandate under the IMA may be terminated on one month's notice. Bentley has also invested funds into the CBG Fund upon the same terms, from time to time.

VOTING RIGHTS

- At any meeting of the shareholders, each shareholder entitled to vote may vote in person or by proxy or by power of attorney or, in the case of a shareholder which is a corporation, by representative.
- Every person who is present in the capacity of shareholder or the representative of a corporate shareholder shall, on a show of hands, have one vote.
- Every shareholder who is present in person, by proxy, by power of attorney or by corporate representative shall, on a poll, have one vote in respect of every fully paid share held by him.

ADDITIONAL ASX INFORMATION

as at 24 October 2017

DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	241	120,212	0.158%
1,001	-	5,000	598	1,840,976	2.418%
5,001	-	10,000	339	2,471,994	3.247%
10,001	-	100,000	488	13,564,198	17.818%
100,001	-	and over	79	58,130,538	76.359%
TOTAL			1,745	76,127,918	100.00%

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	4,347	751	1,546,965	2.032%
4,348	-	over	994	74,580,953	97.968%
TOTAL			1,745	76,127,918	100.00%

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 4,347 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 24 October 2017 of \$0.115 per share.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Total Number of Shares Held	% Voting Power
Queste Communications Ltd (ASX:QUE)	QUE	1,300,000	28.66% ⁽¹⁾
	OEQ	20,513,783	
Mr Azhar Chaudhri, Renmuir Holdings Limited and Chi Tung Investments Ltd	QUE	1,300,000	28.66% ⁽²⁾
	OEQ	20,513,783	
Orion Equities Limited (ASX:OEQ)	OEQ	20,513,783	26.95%
Farooq Khan	Farooq Khan	11,717,586	15.39% ⁽³⁾

Notes:

- (1) Based on the [substantial shareholding notice filed by QUE dated 7 June 2016](#) (updated to reflect current percentage voting power)
- (2) Based on the [substantial shareholding notice filed by Azhar Chaudhri dated 2 May 2012](#) (updated to reflect current registered shareholdings and percentage voting power)
- (3) Based on the [initial substantial shareholding notice filed by Farooq Khan dated 22 March 2017](#) (updated to reflect current percentage voting power)

ADDITIONAL ASX INFORMATION

as at 24 October 2017

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Total Shares Held	% Issued Capital
1	ORION EQUITIES LIMITED	20,513,783	26.95 %
2	MR FAROOQ KHAN	11,717,586	15.39%
3	CHARLES W ROCKEFELLER PTY LTD	4,042,232	5.31%
4	MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN	1,662,478	2.18%
5	MR JOHN ROBERT DILLON	1,489,019	1.96%
6	QUESTE COMMUNICATIONS LIMITED	1,300,000	1.71%
7	TADMARO PTY LIMITED	901,715	1.18%
8	MR MICHAEL JOHN BLAYNEY	737,409	0.97%
9	AVANTEOS INVESTMENTS LIMITED	672,999	0.89%
10	MR GABRIEL BERGER	606,759	0.80%
11	INGARSBY PTY LTD	575,000	0.75%
12	BOND STREET CUSTODIANS LIMITED	559,648	0.73%
13	MR EMIDIO MASI	530,000	0.70%
14	MR JINXIANG LU	521,331	0.68%
15	MR REGAN CHERITON & MS PAULA JOAN O'TOOLE	500,000	0.66%
16	KJ & ML GILROY PTY LTD	500,000	0.66%
17	MR PAUL GERARD GRAFEN	466,017	0.61%
18	MR JOHN STEPHEN CALVERT	463,213	0.61%
19	MR PHILIP DAVID PENNY & MRS GWYNELL RAE PENNY	431,055	0.57%
20	MCMASTER NOMINEES PTY LTD	400,000	0.52%
TOTAL		48,590,244	63.83%

DIRECT CREDITING OF CASH DIVIDEND PAYMENTS

- Cash dividends will be paid only via electronic funds transfer into a shareholder's nominated Australian Bank Account. To reduce costs and administration, distributions will no longer be paid by cheque.
- If you wish to receive your dividends via bank transfer, please complete a [Direct Credit Facility Form](#) and return it to the Company or Share Registry for processing.

TAX FILE NUMBER (TFN) NOTIFICATION

- If you have not previously provided your TFN, please complete a [TFN Declaration Form](#) and return it to the Company or Share Registry for processing.
- If the Company's dividend is **fully franked**, withholding tax will not be deducted from your dividend payment and remitted to the ATO even if the Company does not have your TFN on file.

DIVIDEND REINVESTMENT PLAN (DRP)

- The Company has a DRP in place - historically, the DRP issue price has been set at a 2.5% discount to the Company's volume weighted average price on ASX in the 5 day period up to and including the dividend record date.
- A copy of the Company's recently updated [DRP Rules](#) and [DRP Form](#) can be obtained from the Company or downloaded from the Company's website: <http://bel.com.au/forms>

EMAIL SUBSCRIPTION TO ASX RELEASES

- To keep up to date with the Company's activities and announcements, please visit Bentley's website: www.bel.com.au
- If you would like to receive notification of Bentley's released on the ASX, please register and subscribe via the Bentley website: <http://bel.com.au/user/register>

FORMS

- All of the abovementioned forms may be downloaded from the Forms section of the:
 - Ø Company's website - <http://bel.com.au/forms>; or
 - Ø Share Registry's website - <https://www.advancedshare.com.au/investors/general-forms.aspx>
- Alternatively, please contact the Company or Share Registry to request a form via email or by post.
 - Ø Bentley Capital – Telephone: (08) 9214 9757 or Email: info@bel.com.au
 - Ø Advanced Share Registry Services - Telephone: (08) 9389 8033 or Email: admin@advancedshare.com.au

SHARE DONATION SCHEME

[ShareGift Australia](#) is an endorsed charity⁴ that provides a transparent and tax-deductible way for shareholders to convert their shareholdings into significant donations for Australian charities. This may be particularly attractive to shareholders who hold small parcels of shares that may cost more to sell than the shares themselves are worth.



ShareGift Australia uses the proceeds from the sale of donated shares to distribute to Australian charities (with [Deductible Gift Recipient](#) (DGR) Item 1 status) guided by the recommendations received from individual donors and supporting companies. Donating shareholders will not need to pay brokerage costs and will receive a letter from ShareGift Australia with details of the share sale as a receipt for taxation purposes. Donations over \$2 are tax deductible to the shareholder.

This is a voluntary initiative for those who wish to sell their shares and donate the proceeds to charity. It is not a recommendation to sell shares or a recommendation regarding a normal share sale facility. **If you do not wish to participate, you do not need to do anything.**

How It Works

- (1) Complete a Share Sale Donation Form**

Shareholders complete a [Share Sale Donation Form](#), which authorises the sale of their shares and the proceeds to be directed to ShareGift Australia. Up to the first \$10.00 from each donation stays with ShareGift Australia to support this service. A copy of a [Share Sale Donation Form](#) may be obtained from the Company or downloaded from the Company's website: <http://bel.com.au/share-donation-scheme-%E2%80%93-share-gift-australia>
- (2) Recommend a charity**

Shareholders are welcome to recommend their favourite charity where the value of the donation exceeds \$50. Donations are only made to Australian charitable organisations with eligible [Deductible Gift Recipient](#) (DGR) Item 1 status - refer <http://www.abn.business.gov.au/DgrListing.aspx>
- (3) Shares are sold**

ShareGift Australia arranges for the shares to be sold via their supporting stockbrokers who do not charge brokerage fees. A Sale Confirmation letter is sent to the donor for tax purposes, once the shares are sold. Donations over \$2 are tax deductible.
- (4) Share sale proceeds are donated to charity**

Each quarter, ShareGift Australia reviews all donors' charity recommendations and donates the share sale proceeds to support a wide variety of causes - refer <http://www.sharegiftaustralia.org.au/funding-policy>

More information can be found on the ShareGift Australia website at www.sharegiftaustralia.org.au.

4 ShareGift Australia [ABN 27 086 590 485](#) is public ancillary fund; its Trustee is an endorsed charity and 'Deductible Gift Recipient' (DGR) from 1 July 2006.

BENTLEY CAPITAL LIMITED

ABN 87 008 108 218

www.bel.com.au

ASX Code: BEL

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