

Monday, 23 March 2009

MARKET ANNOUNCEMENT

Post Merger Financial Position

The Company provides the following consolidated pro-forma balance sheet in relation to the merger between Bentley Capital Limited (**Bentley**) and Scarborough Equities Limited (**Scarborough**), which was completed on 13 March 2009 by Bentley issuing 31,350,322 new shares to eligible Scarborough shareholders and acquiring Scarborough as a wholly-owned subsidiary.

The pro-forma balance sheet is based on the auditor-reviewed financial statements of Bentley and Scarborough as at 27 February 2009.

As the merger was on a net tangible asset (**NTA**) for NTA value scrip basis, the post merger NTA of Bentley remains unchanged from the pre-merger 27 February 2009 NTA backing of \$0.3664 per share.

The NTA position of Bentley post merger comprises the following items:

Net Assets	27 February 2009 \$'million	% of Net Assets
Investment in the FSP Equities Leaders Fund (FSP Fund) managed by FSP Equities Management Limited (FSP)	11.25	42.9%
Cash	10.76	41.0%
International equities portfolio	4.12	15.7%
Income tax recoverable / (Provision for income tax)	0.10	0.4%
Net other assets/liabilities	(0.005)	(0.02)%
Total Net Assets	26.23	100%
NTA Backing per share	\$0.3664	
Based on total issued share capital	71,584,465	

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CONSOLIDATED BALANCE SHEETS

	Auditor Reviewed for 8 months ending 27 February 2009		Pro-forma Post Merger
	SCB	BEL	BEL
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	103,548	10,654,030	10,757,578
Financial assets at fair value	-	4,122,438	4,122,438
Trade and other receivables	200,992	93,687	294,679
Current tax asset	-	-	-
Other	-	15,161	15,161
TOTAL CURRENT ASSETS	304,540	14,885,316	15,189,856
NON-CURRENT ASSETS			
Financial assets at fair value	11,254,654	-	11,254,654
Investment in Subsidiaries			-
Property, plant and equipment	5,808	3,798	9,606
Deferred tax asset	-	29,531	29,531
TOTAL NON-CURRENT ASSETS	11,260,462	33,329	11,293,791
TOTAL ASSETS	11,565,002	14,918,645	26,483,647
CURRENT LIABILITIES			
Trade and other payables	175,674	148,609	324,283
Current tax liabilities	(96,415)		(96,415)
TOTAL CURRENT LIABILITIES	79,259	148,609	227,868
NON-CURRENT LIABILITIES			
Deferred tax liabilities	-	29,531	29,531
TOTAL NON-CURRENT LIABILITIES	-	29,531	29,531
TOTAL LIABILITIES	79,259	178,140	257,399
NET ASSETS	11,485,743	14,740,505	26,226,248
EQUITY			
Issued Capital	17,542,708	18,178,191	29,663,934
Accumulated losses	(6,056,965)	(3,437,686)	(3,437,686)
TOTAL EQUITY	11,485,743	14,740,505	26,226,248

Notes:

The following is a summary of the material accounting policies adopted in the preparation of the above Consolidated Balance Sheets:

- (i) **Reporting Basis and Conventions:** The Consolidated Balance Sheets have been prepared on an accruals 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.
- (ii) **Principles of Consolidation:** A controlled entity is any entity the company has the power to control the financial and operating policies of so as to obtain benefits from its activities. All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the company.
- (iii) **Investments (Financial Assets):** Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

Financial assets at fair value through profit and loss - A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Bentley's investment portfolio (comprising listed securities) and Scarborough's investment in the unlisted FSP Equities Leaders Fund are accounted for as "financial assets at fair value through profit and loss".

- (iv) **Fair value estimation:** The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly-traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's-length transactions, reference to similar instruments and option pricing models.

Bentley's investment portfolio (comprising listed securities) is carried at fair value based on the quoted last bid prices at reporting date.

Scarborough's investment in unlisted units in the FSP Equities Leaders Fund are valued at the unit price published by FSP Equities Management Limited at balance date - the unit price reflects the net tangible asset backing of the fund and no buy/sell spread or exit fees are charged on redemption.

- (v) **Cash and Cash Equivalents:** Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

The full accounting policies of Bentley and Scarborough are set out in their respective annual reports for the year ended 30 June 2008. Scarborough's annual report can be found on Scarborough's website at www.scarboroughequities.com.au. Bentley's annual report can be found on Bentley's website at www.bel.com.au.

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