

Bentley Equities Limited
(previously BT Global Asset Management Limited)
ABN 87 008 108 218

Financial Report
For the year ended 30 June 2003

Bentley Equities Limited
(previously BT Global Asset Management Limited)
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For the year ended 30 June 2003

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Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directory
For the year ended 30 June 2003

Share Registrar
Registries Limited
PO Box 67, Royal Exchange
Sydney NSW 1223

Shareholder enquiries telephone: (02) 9290 9600

Company secretarial & all other enquiries
Telephone: (02) 9229 7999

Directors
A G Hartnell (Chairman)
R J Finley
T C Powell
H R Wallace

Company Secretary
Peter Roberts

Registered Office
Level 5, 14 Martin Place
Sydney NSW 2000
Telephone: (02) 9229 7999

Accounting & Administration
White Funds Management Pty Ltd
Level 5, 14 Martin Place
Sydney NSW 2000
Telephone: (02) 9229 7999
Fax: (02) 9221 1194

Auditors
PricewaterhouseCoopers
Chartered Accountants
201 Sussex Street
Sydney NSW 2000

**Bentley Equities Limited
(previously BT Global Asset Management Limited)
Performance Summary**

Last financial year, 2002-3, saw a complete break from a disappointing past for Bentley Equities Limited.

The Company's ties with BT Funds Management ("BTFM"), its founding manager, were severed in December 2002 after several years of unsatisfactory performance. The name change to Bentley Equities Limited sealed the closure.

The administration, accounting and company secretarial functions that had been carried out by BTFM were transferred to White Funds Management Pty Ltd ("White Funds"). White Funds performance has reflected its reputation as a high quality service provider and has led to worthwhile cost savings.

As an interim measure, the global equities portfolio was liquidated and eighty percent of the Company's funds were invested in the Vanguard International Shares Index Fund ("Vanguard"). The latter seeks to mirror the MSCI World ex-Australia Index on an unhedged basis.

Summary of Performance for six months ending 30 June 2003:

	Cumulative Return
Vanguard	-6.58% (Gross) -6.75% (Net)
MSCI World Share Accumulation Index	-6.86%
Bentley Equities Ltd <small>(1) Calculated on NTA</small>	-5.018% (1)

Vanguard gave Bentley shareholders an on-going but passive exposure to international equities while the Board investigated possible future paths for the Company.

The worst case would have been a wind-up, especially costly in view of Bentley's substantial franking credits and foreign tax losses.

In any case the Board had always believed strong demand existed among Australian investors for a well-managed listed company focused on international equities. After evaluating serious submissions and approaches from seven parties, the Board found itself favouring a proposal from Select Asset Management Limited ("Select"), because:

- 1) It offered sophisticated exposure to international markets;
- 2) Management and its associates have a proven track record;
- 3) Its focus on absolute returns was a welcome change from Funds Managers who take solace from relative out-performance when absolute returns are negative; and
- 4) If successful the Select proposal would solve the problems of franking credits and foreign tax losses, issues which were incidental to the final decision but still very relevant.

Shareholders are urged to carefully read the accompanying submission from Select and to attend the Annual General Meeting where they will have the opportunity to question senior Select executives.

If shareholders approve the appointment of Select, it will make unpleasant memories of Bentley's recent past largely academic. Hopefully, 2002-3 will turn out to have been the last year that Bentley's Performance Summary will make for lacklustre reading.

**Bentley Equities Limited
(previously BT Global Asset Management Limited)
Corporate Governance Statement**

Purpose of this policy statement

This policy statement has been prepared by the Directors of Bentley Equities Limited. Its purpose is to record for the benefit of the Company and its stakeholders the corporate governance framework within which the Board operates and which were in place for the 2002/3 financial year. Unless otherwise stated, these policies and processes were in place for the entire financial year.

Policies and processes

1. Board Composition

The Board will have a majority of Directors who are independent.

Board action: During the 2002/3 financial year the Board consisted entirely of independent directors.

2. Board Chair

The Board will at all times appoint an independent Director to the office of Board Chair.

Board action: At all times during the 2002/2003 financial year, the Board Chair (Mr Hartnell) was an independent Director.

3. Board Mix

The Board will at least annually review the mix of skills, experience and other qualities required by the Board to operate effectively, particularly with regard to strategy and monitoring of management performance. The Board will ensure that its composition provides the mix so identified.

The Board will consider nomination of Directors from time to time as required and exercise their discretion in accordance with best practice.

4. Strategy, including performance evaluation and risk management

A performance review will be presented by the investment manager to the Board's quarterly meetings. This will enable the Board to review the investment strategies necessary to achieve the investment objective of the Company.

The overall performance of the investment manager is reviewed once every two years.

The Board will monitor the winding up provision contained in the Initial Prospectus of the Company at each second anniversary of the winding up date next being 30 June 2004 and determine whether the Company's share price is trading on the ASX at an average discount of equal to or more than 10% of the NTA value of the Company. Should the Company's stock be trading at that discount, the Board will call a special meeting of shareholders to vote on the voluntary winding up of the Company.

Board action: The Board has met quarterly to review matters affecting the Company's operation, in particular, its performance, outlook, and business risks and strategies. The investment manager had presented a performance review to the Board each quarter.

Should the proposed change in investment mandate and proposed appointment of Select Asset Management Limited be approved by members, the directors will seek shareholder approval to defer the application of the winding up provision for a further twelve months i.e. to 30 June 2005. This would allow a reasonable period in which to assess the investment performance of Select Asset Management Limited.

5. Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The system is based on the appointment of suitably qualified service providers.

6. Board committees

Board committees will:

- be constituted with a majority of non-executive Directors
- be entitled to obtain independent professional or other advice at the cost to the Company; and
- be entitled to obtain such resources and information from the Company, including direct access to employees of the investment manager and advisers to the Company, as they may require.

Board action: No new Board committees were established during the year.

**Bentley Equities Limited
(previously BT Global Asset Management Limited)
Corporate Governance Statement**

7. Audit

The Auditor is required to attend Board meetings annually. The Board has not appointed an audit committee. In the opinion of the Board, the nature of the Company's activities does not warrant a separate committee to consider audit and accounting matters. The Board considers that these responsibilities are actively discharged by the Board as a whole.

Board action: A representative of the auditors for the Company, PricewaterhouseCoopers, attends as appropriate and answers questions from the Board regarding the accounts prior to their execution.

8. Directors, nomination and remuneration

The Board will consider nomination and remuneration of independent Directors from time to time as required and exercise this discretion in accordance with best practice.

Board action: The Board's policies in relation to the nomination and remuneration of Directors are summarised in clauses 3 and 10.

9. Equity participation

The Board is pleased if Directors hold securities in the Company. Any holdings of the Company's securities by Directors will be disclosed in the annual report to shareholders.

Board action: Particulars of Directors' interests in securities of the Company are detailed in note 14(c) of this annual report. In addition, the Corporations Law requires Directors to disclose to the ASX their interests in the Company. All Directors have complied with this requirement.

10. Directors' remuneration

The remuneration of the independent Chairman was \$30,000 per annum and that of all other Non-executive Directors was \$15,000 per annum per Director. The remuneration is inclusive of superannuation where applicable.

Further details of remuneration and superannuation payments are set out in the director's report and Note 14(b) to the financial statements.

11. The role of shareholders

The Board informs shareholders of all major developments affecting the Company's state of affairs as follows:

- The Annual Report is distributed to all shareholders, including relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments.
- The Half-yearly reports contain summarised financial information and a review of the operations of the Company during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and is sent to any shareholder who requests it.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' report
For the year ended 30 June 2003

In respect of the financial year ended 30 June 2003, the Directors of the Company submit the following report together with the financial report of Bentley Equities Limited ("the Company").

Directors in office during the whole of the financial year and up to the date of this report are:

A G Hartnell (Chairman)
R J Finley
T C Powell
H R Wallace

Principal Activities

The principal activity of the Company during the year was investment in securities listed on the global stock markets. In the latter part of 2002 the Company invested in an International Shares Index Fund.

Dividends

No dividends were declared during the year. During the year the final, fully franked dividend of 3.5 cents per share was paid in respect of the 2002 financial year.

	2003 \$'000	2002 \$'000
Interim dividend paid	-	778
Final dividend payable	-	1,363
	<u>-</u>	<u>2,141</u>

Review of operations

Loss from ordinary activities before income tax expense/(benefit)	(3,980)	(7,311)
Income tax expense/(benefit)	16	(401)
Loss from ordinary activities after income tax expense/(benefit)	<u>(3,996)</u>	<u>(6,910)</u>

The net tangible asset backing of the Company as at 30 June 2003 was 42.92 cents per share. This compares with a net tangible asset backing of 56.68 cents per share cum dividend as at 30 June 2002.

	2003	2002
Earnings per share		
Basic earnings per share (cents per share)	(10.26)	(17.74)
Diluted earnings per share (cents per share)	(10.26)	(17.74)

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' report (continued)
For the year ended 30 June 2003

Significant changes in the state of affairs

BT Funds Management ("BTFM") resigned as investment manager to the Company with effect from 31 December 2002. In the latter part of 2002 the Directors directed BTFM to:

- (1) increase the liquidity of the portfolio to 20%; and
- (2) invest the remaining 80% in an MSCI Index

as an interim position to maintain exposure to international shares whilst the Board explored alternative investment proposals and other opportunities available to the Company. Accordingly, the Company's direct shareholdings were liquidated and the proceeds invested 80% in the Vanguard International Shares Index Fund while the Board has been investigating the future investment direction of the Company.

With effect from 1 January 2003, the Board have engaged the services of White Funds Management (White Funds) to provide administration, accounting and company secretarial services.

Matters subsequent to the end of the financial year

The Company has undertaken discussions with Select Asset Management Limited, who submitted a proposal to the Board to be appointed the investment manager to the Company. Because this represents such a significant change in the style and approach of investment in international securities the Board consider that shareholders should be encouraged to debate the decision. For this reason, their appointment is subject to approval by shareholders at the Annual General Meeting.

Except as disclosed above, no other matter or circumstance has arisen since 30 June 2003 to the signing date of this report that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Likely developments and expected results of operations

As noted above, the Board have held discussions with Select Asset Management Limited in relation to their appointment as investment manager. This appointment is subject to shareholder approval as outlined in the Explanatory Memorandum to the Notice of Annual General Meeting.

Further information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the Directors believe it would be likely to increase in unreasonable prejudice to the Company.

Directors' benefits

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed in note 14(b) to the financial statements, 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.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' report (continued)
For the year ended 30 June 2003

Information on Directors

Director	Experience	Special responsibilities	Particulars of Directors' interest in shares of the Company
A G Hartnell BEc, LLB (Hons) ANU LLM (Geo. Washington Uni)	Corporate and commercial law	Chairman	9,000
R J Finley BComm NSW, ASIA	Investment banker Stockbroker		-
T C Powell BEc Sydney, FSIA	Stockbroker		25,000
H R Wallace BA Sydney	Investment banker Stockbroker		-

The particulars of Directors' interests in shares of the Company are as at the date of this report.

Meetings of Directors of the Company

The following table sets out the numbers of meetings of the Company's Directors held during the year ended 30 June 2003, and the numbers of meetings attended by each Director of the Company:

	Full meetings	
	Number of meetings held	Meetings attended
A G Hartnell	8	8
R J Finley	8	8
T C Powell	8	8
H R Wallace	8	7

Audit committee

As at the date of this report, the Company did not have a separate designated audit committee. In the opinion of the Directors of the Company, the nature of the Company's activities does not warrant a separate committee to consider audit and accounting matters. These responsibilities are actively discharged by the Board of Directors as a whole.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' report (continued)
For the year ended 30 June 2003

Directors' remuneration

The remuneration of the independent Chairman was \$30,000 per annum and that of all other non-executive Directors was \$15,000 per annum per Directors. The remuneration is inclusive of superannuation where applicable.

Name of Directors	Base fee	Superannuation	Total
	\$	\$	\$
A G Hartnell (Chairman)	30,000	-	30,000
R J Finley	15,000	-	15,000
T C Powell	-	15,000	15,000
H R Wallace	13,889	1,111	15,000

Insurance of Directors

The Directors have not included details of the nature of the liabilities covered or the amount of premium paid in respect of the Directors and Officers liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought against or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements to the nearest \$1,000 or in certain cases to the nearest dollar. Amounts have been rounded off in the Directors' report and financial statements in accordance with this class order.

Auditor

PricewaterhouseCoopers continue in office in accordance with Section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Directors of the Company.

A G Hartnell
Director
Sydney
11 September, 2003

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Statement of financial position
As at 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Investments	3	12,933	21,308
Current assets			
Cash assets		3,739	389
Receivables	4	44	12
Current tax assets	5(a)	90	434
Total current assets		3,873	835
Non-current assets			
Deferred tax assets	5(b)	-	19
Total non-current assets		-	19
Total assets		16,806	22,162
Current liabilities			
Payables	6	91	86
Provisions	7	-	1,363
Total current liabilities		91	1,449
Non-current liabilities			
Deferred tax liabilities	8	-	2
Total non-current liabilities		-	2
Total liabilities		91	1,451
Net assets		16,715	20,711
Equity			
Contributed equity	9	23,004	23,004
Reserves	10(a)	(942)	(2,304)
Retained earnings/(Accumulated losses)	10(b)	(5,347)	11
Total equity		16,715	20,711

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

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Statement of financial performance
For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Revenue from ordinary activities		37,011	43,586
Investment income			
Dividends and Trust Distributions		217	317
Interest		115	43
Unrealised changes in the net fair value of investments		(941)	(2,995)
Realised losses on sale of investments		(2,981)	(3,961)
Foreign exchange gains/(losses)		23	(103)
Other		22	13
Total investment income from ordinary activities		(3,545)	(6,686)
Expenses			
Investment manager's fees		95	328
Audit fees	11	31	14
Other		309	283
Total expenses from ordinary activities		435	625
Loss from ordinary activities before income tax expense/(benefit)		(3,980)	(7,311)
Income tax expense/(benefit)	12(a)	16	(401)
Loss from ordinary activities after income tax expense/(benefit)		(3,996)	(6,910)
Net loss attributable to members of Bentley Equities Limited		(3,996)	(6,910)
Total revenues, expenses & valuation adjustments attributable to members of Bentley Equities Limited recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		(3,996)	(6,910)
		Cents	Cents
Basic earnings per share	19	(10.26)	(17.74)
Diluted earnings per share	19	(10.26)	(17.74)

The above statement of financial performance should be read in conjunction with the accompanying notes to the financial statements.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Statement of cash flows
For the year ended 30 June 2003

	Notes	2003 \$'000	2002 \$'000
Cash flows from operating activities			
Dividends received		229	323
Interest received		101	48
Other income received		-	13
Investment manager's fees paid		(109)	(379)
Income tax refund		341	1,622
Other expenses paid		(325)	(330)
Net cash inflow from operating activities	17(a)	<u>237</u>	<u>1,297</u>
Cash flows from investing activities			
Proceeds from sale of investments		37,011	43,914
Purchase of investments		(32,559)	(43,720)
Net cash inflow from investment activities		<u>4,452</u>	<u>194</u>
Cash flows from financing activities			
Dividends paid		(1,363)	(2,337)
Net cash outflow from financing activities		<u>(1,363)</u>	<u>(2,337)</u>
Net increase/(decrease) in cash held		3,326	(846)
Cash at the beginning of the financial year		389	1,338
Effect of exchange rate changes on cash		24	(103)
Cash at the end of the financial year	17(b)	<u>3,739</u>	<u>389</u>
Non-cash financing activities	17(c)	-	-

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

1 Summary of significant accounting policies

(a) Basis of accounting

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

It is prepared in accordance with the historical cost convention with the exception of the valuation of investments described in note (b)(ii) below. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous financial year.

(b) Investments

(i) Classification

The business objectives of the Company include earning revenue from dividends and holding investments for market appreciation and trading opportunities. All the investments held are readily marketable and are traded as future market conditions dictate. At 30 June 2003, the Company invested primarily in an Index Fund while the Directors investigated future investment opportunities for the Company. The Directors hold the view that it is therefore not possible to determine the period the investment in the Index Fund will be held. Consequently, investments are not classified as current or non-current.

(ii) Valuation

At 30 June 2003, the Company invested primarily in the Vanguard International Shares Index Fund. The investment is stated at net fair value as at the reporting date, the net fair value is the Funds withdrawal price at the close of business at year end. Certain costs in acquiring investments, such as brokerage and stamp duty, are capitalised in the initial cost of the investment.

(iii) Unrealised gains and losses

Changes in the net fair value of investments represent the unrealised gains or losses on investments arising from the increment or decrement between the net fair value at the reporting date and the net fair value as at the prior year end (or cost if the investment was acquired during the year).

The unrealised gains or losses are transferred to the unrealised profits and losses reserve, net of any potential tax charge that may arise from the future sale of investments. The balance in the unrealised profits and losses reserve is equal to the cumulative after tax unrealised gains or losses on investments.

(c) Foreign currency translation

Transactions denominated in a foreign currency are translated at the exchange rate applicable at the date of the transactions. Exchange gains and losses are brought to statement of financial performance and are disclosed separately on the statement of financial performance.

Foreign investments and currency, receivables and payables denominated in a foreign currency are translated at the exchange rate applicable at the reporting date. Unrealised exchange gains and losses arising on the revaluation included in the statement of financial performance as unrealised changes in net fair value of investment.

Hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in exchange rates. Exchange differences arising on these hedged transactions are brought to statement of financial performance when the exchange rates change.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

1 Summary of significant accounting policies (continued)

(d) Revenue from ordinary activities

Revenue from ordinary activities consists of dividend, trust distribution, interest, other income and gross proceeds from the sale of investments. Interest and dividend revenue is recognised as it accrues.

(e) Investment income

The change in the net fair value of investments as mentioned in note b(iii) above is recognised as income in determining the profit and loss for the year.

The realised gains or losses on the sale of investments represent the difference between the net proceeds and the net fair value of the investments at the prior year end or cost if acquired during the year.

(f) Income to pay dividends

The Directors of the Company hold the opinion that unrealised gains and losses should not be taken into account in determining the income of the Company available to pay dividends. The transfer to and from the unrealised profits and losses reserve will be such that the income available to pay dividends will only include realised gains and losses. The transfers to and from the reserve will include the amounts of unrealised gains and losses recognised in the statement of financial performance for the year and prior year unrealised gains and losses that become realised as a result of the sale of investments during the year.

A provision for dividends payable is recognised in the reporting period in which dividends are declared, for the entire undistributed amount, regardless to the extent they will be paid in cash.

(g) Income tax

Tax effect accounting procedures are followed whereby the income tax expense in the statement of financial performance is matched with the accounting profit after allowing for permanent differences.

Future income tax benefits relating to tax losses are not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation.

Income tax on accumulative timing differences is set aside to the deferred income tax or future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

(h) Cash

For the purposes of the statement of cash flows, cash includes deposits held at call with financial institutions and highly liquid investments which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

(i) Receivables

Receivables may include amounts for dividends, interest and securities sold. Dividends are receivable when they have been declared and are legally payable. Interest is accrued at the year end from the time of last payment. Amounts received for securities sold are recorded when a sale has occurred. Amounts are generally received within 30 days of being recorded as a receivable.

(j) Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid at the reporting date. Payables are unsecured and are usually paid within 30 days of recognition.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

1 Summary of significant accounting policies (continued)

(k) Derivative financial instruments

The Company may invest in financial derivatives. Derivative financial instruments are accounted for on the same basis as the underlying investment exposure. Gains and losses relating to derivatives are included in investment income as part of realised or unrealised gains and losses on investments.

(l) Earnings per share

Basic earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial year.

(m) Comparative figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures in the current year.

(n) Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial statements to the nearest \$1,000 or in certain cases to the nearest dollar. Amounts have been rounded off in the Directors' report and financial statements in accordance with this class order.

2 Changes in accounting policies

Provisions and contingent liabilities

The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" for the first time from 1 July 2002.

Dividends are now recognised at the time they are declared, determined or publicly recommended. Previously, final dividends were recognised in the financial year to which they related, even though the dividends were announced after the end of that financial year.

The adjustments to the Company's financial report as at 1 July 2002 as a result of this change are:

- \$1,363,000 increase in opening retained profits
- \$1,363,000 decrease in provision for dividends

	2003	2002
	\$'000	\$'000
Restatement of retained profits and provision for dividends		
The restatement of retained profits and provision for dividends below, show the information that would have been disclosed had the new accounting policies in this note always been applied.		
<i>Restatement of retained profits</i>		
Reported retained profits at the end of the previous year	11	5,818
Increase/(decrease) in retained profits due to change in accounting policy on adoption of AASB 1044 Provisions, Contingent liabilities and Contingent assets.	1,363	1,558
Restated retained profits at the beginning of the year	1,374	7,376
Net profit attributable to members of the entity	(3,996)	(6,910)
Transfer from unrealised profits and losses reserve	(1,362)	3,244
Dividends provided for or paid	(1,363)	(2,336)
Restated retained profits at the end of the year	<u>(5,347)</u>	<u>1,374</u>
<i>Restatement of provision for dividends</i>		
Provision as previously reported	-	1,363
Effect of change of accounting policy	-	(1,363)
Restated balance at end of the year	<u>-</u>	<u>-</u>

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
3 Investments		
Listed securities	-	21,373
Currency hedges	-	(65)
Unlisted Index Fund	12,933	-
	<u>12,933</u>	<u>21,308</u>

Material investments other than subsidiaries and associates:

<i>Name of entity</i>	<i>Principal Activity</i>	<i>Percentage ownership interest held</i>	<i>Carrying value \$'000</i>
Vanguard International Shares Index Fund	Seeks to match the total return of the MSCI World ex Australia Index (with net dividends reinvested) on an unhedged basis before taking into account Fund expenses.	0.06%	12,933

	2003 \$'000	2002 \$'000
4 Receivables		
Current		
Accrued interest and dividends	14	12
Sundry debtors	30	-
	<u>44</u>	<u>12</u>

5 Tax assets		
(a) Current		
Income tax refund receivable	<u>90</u>	<u>434</u>
(b) Non-current		
Future income tax benefit	<u>-</u>	<u>19</u>

6 Payables		
Current		
Trade creditors	<u>91</u>	<u>86</u>

Bentley Equities Limited
(previously BT Global Asset Management Limited)

Notes to the financial statements

For the year ended 30 June 2003

	2003 \$'000	2002 \$'000
7 Provisions		
Current		
Provision for dividend	-	1,363
<i>Reconciliation of movements</i>		
Reported amount at beginning of the year	1,363	1,558
Adjustment on adoption of AASB 1044 Provisions, Contingent Liabilities & Contingent Assets	(1,363)	-
Provisions made during the year:		
Final dividend	1,363	1,363
Interim dividend	-	778
Payments made	(1,363)	(2,336)
Reported amount at end of the year	-	1,363
8 Tax liabilities		
Non-current		
Deferred income tax	-	2

	2003		2002	
	No.'000	\$'000	No.'000	\$'000
9 Contributed Equity				
Ordinary shares	38,942	23,004	38,942	23,004

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings.

In the event of winding up the Company ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

10(a) Reserves

	2003 \$'000	2002 \$'000
Unrealised profits and losses reserve		
Balance at the beginning of the financial year	(2,304)	940
Transfer to retained earnings		
Unrealised gains during the year	(942)	(2,995)
Prior year unrealised changes now realised	2,304	(636)
Deferred income tax on movement in the year	-	387
Balance at the end of the financial year	(942)	(2,304)

The unrealised profits and losses reserve is used to record the cumulative after tax unrealised gains or losses on investments.

10(b) Retained earnings/(Accumulated losses)

	2003	2002
Balance at the beginning of the financial year	11	5,818
Transfer from unrealised profits and losses reserve	(1,362)	3,244
Net effect on dividend from initial adoption of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	1,363	-
Net loss for the current year	(3,996)	(6,910)
Dividends paid and payable for the current year	(3,984)	2,152
Balance at the end of the financial year	(5,347)	11

Bentley Equities Limited
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For the year ended 30 June 2003

11 Auditors' remuneration

	2003	2002
	\$	\$
Amounts received and receivable, by the auditor of the Company for:		
Auditing the accounts	30,811	14,450
Other services*	-	8,516
	<u>30,811</u>	<u>22,966</u>

*Other services consisted of taxation advice. The cost of "Other services" is included under "Other expenses" in the statement of financial performance.

12 Income tax

	2003	2002
	\$'000	\$'000
(a) The income tax benefit from the financial year differs from the amount calculated on the loss. The differences are reconciled as follows:		
Loss from ordinary activities before income tax benefit	(3,980)	(7,311)
Income tax benefit calculated at 30%	(1,194)	(2,193)
Tax effect of permanent difference:		
- non-deductible expenses	-	15
- non-assessable income	(6)	(394)
- rebateable items	-	(13)
Income tax adjusted for permanent differences	<u>(1,200)</u>	<u>(2,585)</u>
Over/(under) provision in prior year	(2)	(10)
Future income tax benefit not recognised in respect of unrealised and realised losses	(402)	1,798
FITB not recognised in respect of current year tax losses	1,602	-
Reversal of prior year deferred tax liabilities	18	-
Sundry items	-	396
Income tax expense/(benefit) attributable to profit from ordinary activities	<u>16</u>	<u>(401)</u>

- (b)** The Directors estimate that the potential future income tax benefit at 30 June 2003 in respect of tax losses not brought to account is \$45,000 and foreign tax losses of \$2,662,000 (2002: \$1,798,000).

This benefit of tax losses will only be obtained if:

- (i) the entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- (ii) the entity continues to comply with the conditions for deductibility imposed by tax legislation, and
- (iii) no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the losses.

13 Dividends

Interim dividend paid - fully franked at 30%	-	778
Final dividend payable - fully franked at 30%	-	1,363
	<u>-</u>	<u>2,141</u>
Franking credits available for the subsequent financial year	<u>4,809</u>	<u>11,222</u>

The above amounts represent the balance of the franking account as at the end of the financial year. It does not include projected franking credits relating to unrealised gains, but is adjusted for:

- (i) franking credits that will arise from the payment of income tax payable/income tax receivable as at the end of the year,
- (ii) franking debits that will arise from the payment of dividends proposed as at the end of the year; and
- (iii) franking credits that may be prevented from being distributed in the subsequent year.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

13 Dividends (continued)

Change in measurement of dividend franking account

In accordance with the New Business Tax System (Imputation) Act 2002, the measurement basis of the dividend franking account changed on 1 July 2002 from an after-tax profits basis to an income tax paid basis.

The amount of the franking credits available to shareholders disclosed as at 30 June 2003 has been measured under the new legislation and represents income tax paid amounts available to frank distributions. The balance disclosed as at 30 June 2003 has been measured under the new legislation existing at 30 June 2002 and represents tax paid by the Company and the amount of franking credits distributable.

The change in basis or measurement does not change the underlying value of franking credits or tax offsets available to shareholders from the dividend franking account.

Comparative information has not been restated for this change in measurement. Had the comparative information been calculated on the new basis, the "franking credits available" balance as at 30 June 2002 would have been \$4,809,000.

14 Related party information

(a) Directors

The names of the persons who were Directors of the Company during the financial year were:

A G Hartnell
R J Finley
T C Powell
H R Wallace

(b) Directors remuneration

	2003	2002
	\$	\$
Income paid or payable, or otherwise made available to Directors by the Company and related parties in connection with the management of affairs of the Company.	75,000	75,000

The number of Directors of the Company whose income from the Company falls within the following bands are as follows:

	2003	2002
	No.	No.
\$10,000 - \$19,999	3	3
\$30,000 - \$39,999	1	1

The Directors' remuneration excludes insurance premiums paid and payable by the Company in respect of Directors' liability insurance. Information relating to the Directors' insurance is set out in the Directors' report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year.

Bentley Equities Limited
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Notes to the financial statements
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14 Related party information (continued)

(c) Transactions with Directors and Director-related entities concerning shares

	2003 No.	2002 No.
Aggregate number of shares held as at 1 July	9,000	18,399
Purchase of shares	25,000	-
Sale of shares	-	(9,399)
Aggregate number of shares held as at 30 June	<u>34,000</u>	<u>9,000</u>

Directors' transactions concerning dividends and ordinary shares are on the same terms and conditions applicable to ordinary members.

15 Segment information

Business segments

The company operates solely in the business of investment management within Australia.

Geographical exposures

The Company operates from Australia only, the Company previously had investment exposures in different countries, however, as noted has invested in an Australian domiciled unlisted index fund at 30 June 2003. The geographic locations are outlined below.

Country	2003 Net fair value \$'000	2003 % of total net fair value	2002 Net fair value \$'000	2002 % of total net fair value
Australia	(a) 12,933	100	(122)	(1)
Europe	-	-	6,644	31
United States and Canada	-	-	12,387	57
Japan	-	-	2,199	10
South East Asia	-	-	601	3
Total investments	<u>12,933</u>	<u>100</u>	<u>21,709</u>	<u>100</u>

The geographical exposure of assets takes into account, where applicable, the effects of derivative financial instruments held by the Company.

The geographical exposure of investments includes investments, cash assets and accrued interest and dividends, net of unsettled trades.

(a) Held in Vanguard International Shares Index Fund, which is allocated as follows at 30 June 2003:

	Fund Weight	Index Weight MSCI
North America	61.4%	61.3%
Europe ex-UK	18.2%	18.2%
UK	11.2%	11.1%
Japan	8.3%	8.4%
Pacific ex-Japan	0.9%	1.0%
	<u>100.0%</u>	<u>100.0%</u>

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

16 Financial instruments

(a) Derivative financial instruments

A derivative is a financial contract whose value depends on, or is derived from, underlying assets, liabilities or indices. Derivative transactions include a wide assortment of instruments, such as forwards, futures, options and swaps.

Derivatives are considered to be part of the investment process. The use of derivatives is an essential part of proper portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multi-faceted and includes:

- (i) hedging to protect an asset of the Company against a fluctuation in market values or to reduce volatility;
- (ii) as a substitute for physical securities; and
- (iii) adjustment of asset exposures within the parameters set out in the investment strategy.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Company.

As at 30 June 2003, the notional principal amounts of derivatives held by the Company were nil.

(b) Credit risk

Credit risk is the risk that a counterpart, will fail to perform contractual obligations (i.e. default in either whole or part) under a contract.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of items on the statement of financial position and liabilities as they are marked to market at year end. The total credit risk for items on the statement of financial position is therefore limited to the amount carried on the statement of financial position.

At 30 June 2003 the concentration of credit risk exists in relation to the investment in the Vanguard International Shares Index Fund.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

16 Financial instruments (continued)

(c) Interest rate risk

The Company has interest rate risk exposures from the holdings of financial assets and liabilities in the normal course of business.

As at 30 June 2003, the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out in the table below:

	Weighted average interest rate (% pa)	Floating interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Financial assets				
Cash assets	4.5	3,739	-	3,739
Receivables	-	-	44	44
Current tax assets	-	-	90	90
Unlisted Index Fund	-	-	12,933	12,933
		3,739	13,067	16,806
Financial liabilities				
Payables	-	-	91	91
		-	91	91
Net financial assets				
		3,739	12,976	16,715

As at 30 June 2002, the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and liability is set out in the table below:

	Weighted average interest rate (% pa)	Floating interest rate \$'000	Non- interest bearing \$'000	Total \$'000
Financial assets				
Cash assets	5.50	389	-	389
Receivables	-	-	12	12
Current tax assets	-	-	434	434
Listed securities	-	-	21,373	21,373
Option margin	-	-	(65)	(65)
		389	21,754	22,143
Financial liabilities				
Payables	-	-	86	86
Provision for dividend	-	-	1,363	1,363
		-	1,449	1,449
Net financial assets				
		389	20,305	20,694

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

16 Financial instruments (continued)

(d) Net fair value of financial assets and liabilities

The net fair value of financial assets and financial liabilities and derivative financial instruments included in the statement of financial position approximates their carrying amount.

(e) Foreign exchange rate risk

The Company enters into forward foreign exchange contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. Foreign exchange instruments are principally denominated in US dollars reflecting the denominations but not necessarily the physical locations of the majority of the Company's international security investments. The terms and conditions of these derivatives rarely exceed one year.

As the nature of these contracts is to hedge the international investment activities of the Company, they are stated at net fair value at reporting date in a manner consistent with the valuation of the underlying securities. The changes in net fair value of foreign exchange contracts are disclosed in the statement of financial performance as unrealised changes in net fair value of investments.

As at 30 June 2003, the Company's exposure to foreign exchange rate movements on its international security investments was nil.

As at 30 June 2002, the Company's exposure to foreign exchange rate movements on its international security investments was as follows:

	US dollars A\$'000	Euro A\$'000	Japanese yen A\$'000	British pounds A\$'000	Other currencies A\$'000	Total A\$'000
Gross investment amounts denominated in foreign currency*	12,343	2,846	2,206	2,544	1,833	21,772
Amounts effectively hedged	-	-	(1,543)	-	-	(1,543)
Net exposure	12,343	2,846	663	2,544	1,833	20,229

* The above foreign currency exposure is net of unsettled trades. These unsettled trades are presented as receivable and payable in the statement of financial position.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Notes to the financial statements
For the year ended 30 June 2003

17 Statement of cash flows

	2003	2002
	\$'000	\$'000
(a) Reconciliation of net loss from ordinary activities after income tax to net cash utilised in operating activities		
Loss from ordinary activities after income tax benefit	(3,996)	(6,910)
Non-cashflow items included in operating loss:		
Unrealised changes in the net fair value of investments	942	2,995
Realised losses on sale of investments	2,981	3,961
Net foreign exchange losses/(gains)	(24)	103
Change in operating assets and liabilities:		
Decrease/(increase) in dividends and interest receivable	(31)	11
Decrease in tax assets	344	1,625
(Decrease)/increase in payables	5	(84)
Increase/(Decrease) in tax liabilities	16	(404)
Net cash inflow from operating activities	<u>237</u>	<u>1,297</u>
(b) Components of cash		
Cash at bank	<u>3,739</u>	<u>389</u>
(c) Non-cash financing activity		
There were no non-cash financing activities during the year.		

18 Events occurring after reporting date

The Company has undertaken discussions with, Select Asset Management Limited, who submitted a proposal to the Board to be appointed the investment manager to the Company. This appointment is subject to approval by shareholders at the Annual General Meeting.

19 Earnings per share

	2003	2002
Basic earnings per share (cents per share)	(10.26)	(17.74)
Diluted earnings per share (cents per share)	(10.26)	(17.74)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	38,942,213	38,942,213

No adjustments are made to the loss from ordinary activities after income tax benefit shown on the statement of financial performance in deriving earnings used in the calculation of basic earnings per share.

Diluted earnings per share is the same as basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

20 Contingent liabilities

No contingent liabilities existed at 30 June 2003.

21 Other information

Bentley Equities Limited, incorporated and domiciled in Australia is a publicly listed company limited by shares.

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Directors' declaration
For the year ended 30 June 2003

The Directors declare that the financial statements and notes set out on pages 7 to 25:

- (a) give a true and fair view of the Company's financial position as at 30 June 2003 and of its performance, as represented by the results of its operations and cash flows, for the financial year ended on that date; and
- (b) comply with Accounting Standards in Australia and, the Corporations Regulations 2001.

In the Directors' opinion:

- (a) the financial statements and notes to the financial statements are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors.

A G Hartnell
Director
Sydney
11 September, 2003

Independent audit report to the members of BENTLEY EQUITIES LIMITED

Audit opinion

In our opinion, the financial report of Bentley Equities Limited:

- gives a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Bentley Equities Limited as at 30 June 2003, and of its performance for the year ended on that date, and
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, and the Corporations Regulations 2001.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Bentley Equities Limited (the Company), for the year ended 30 June 2003.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

PricewaterhouseCoopers

D A Prothero
Partner

Sydney
11 September 2003

Bentley Equities Limited
(previously BT Global Asset Management Limited)
Members Information

Substantial holders

The number of shares held by the substantial shareholders are set out below

Shareholder	Number of Shares
Select Asset Management Ltd	2,105,015

Distribution of securities as at 31 August 2003

(a) Analysis of number of holders by size of holding:

	Number of shareholders	Number of shares held
1 - 1,000	155	74,062
1,001 - 5,000	572	1,812,033
5,001 - 10,000	546	4,253,284
10,001 - 100,000	942	23,945,414
100,001 and over	38	8,857,420
	<u>2,253</u>	<u>38,942,213</u>

(b) There were 168 holders of less than a marketable parcel of shares.

(c) The percentage of total holding of the 20 largest holders of ordinary shares was 17.82%.

Twenty largest holders

The names of the 20 largest holders as at 31 August 2003 are listed below:

Name	Number of shares held	%
Select Asset Management Ltd	2,105,015	5.41
BB Nominees Pty Ltd	594,589	1.53
Tothemill Pty Ltd	572,600	1.47
Piranha Nominees Pty Ltd	487,473	1.25
Mr Eric Gross	455,977	1.17
Software Communication Group Limited	250,466	0.64
Penson Holdings Pty Ltd	238,770	0.61
Mr Donald Edward Yabsley	229,921	0.59
Palmerson Pty Ltd	219,713	0.56
Mr John Robert Dillon	200,000	0.51
Mr William John Ellis	187,968	0.48
Ms Jan Elizabeth Burnett-McKeown	182,970	0.47
Mr Ronald & Mrs Gertruda Edwards	180,000	0.46
Mr Anthony & Mrs Xia Grant-Smith	157,000	0.40
Mr Bruce & Mrs Deirdre Tidswell	156,238	0.40
KJ & ML Gilroy Pty Ltd	150,000	0.39
Mr Lloyd Fairhall	150,000	0.39
Mr Stanley & Mrs Irene Johanson	149,464	0.38
Somoke Pty Ltd	140,000	0.36
Robin Yabsley	131,542	0.34
	<u>6,939,706</u>	<u>17.82</u>

Voting rights

At a general meeting, on the show of hands, every ordinary member present in person shall have one vote for every share held. Proxies present at the meeting are not entitled to vote on a show of hands, but on a poll have one vote for every share held.