



Bentley Capital Limited

HALF YEAR REPORT

31 December 2011

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE 2011 ANNUAL REPORT OF THE COMPANY
LODGED ON ASX ON 14 OCTOBER 2011



ASX Code: BEL

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A.B.N. 87 008 108 218

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CORPORATE DIRECTORY**BOARD**

Farooq Khan Executive Chairman
William M. Johnson Executive Director
Christopher B. Ryan Non- Executive Director

COMPANY SECRETARY

Victor P.H. Ho

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APPENDIX 4D HALF YEAR REPORT

This Half Year Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3

Current reporting period:	1 July 2011 to 31 December 2011
Previous corresponding period:	1 July 2010 to 31 December 2010
Balance date:	31 December 2011
Company:	Bentley Capital Limited (Bentley or BEL)
Consolidated Entity:	Previous Reporting Period: BEL and controlled entities:
	(1) Scarborough Equities Pty Ltd (Scarborough), a wholly owned subsidiary; and
	(2) Scarborough Resources Pty Ltd (incorporated on 12 April 2011), a wholly owned subsidiary of Scarborough.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

CONSOLIDATED	December 2011 \$'000	December 2010 \$'000	% CHANGE	UP / DOWN
Net gain on financial assets held at fair value through profit or loss	-	3,122	N/A	N/A
Other investment related income	161	340	53%	Down
Total revenue	161	3,462	95%	Down
Net loss on financial assets held at fair value through profit or loss	2,836	-	N/A	N/A
Other corporate and administration expenses	822	625	32%	Up
Total expenses	3,658	625	485%	Up
Profit/(Loss) before tax	(3,497)	2,837	223%	Profit Down
Income tax expense	-	-	N/A	N/A
Profit/(Loss) after tax attributable to members	(3,497)	2,837	223%	Profit Down
Basic and diluted gains/(loss) per share (cents)	(4.80)	3.94	222%	Gain Down
	CONSOLIDATED December 2011	CONSOLIDATED June 2011	% CHANGE	UP / DOWN
Pre-Tax NTA backing per share (cents)	26.27	39.68	34%	Down
Post-Tax NTA backing per share (cents)	26.27	39.68	34%	Down
Pre and Post-Tax NTA backing per share (cents) (with dividends paid, return of capital and shares bought-back in previous 6 months added back)	34.84	40.59	14%	Down

APPENDIX 4D HALF YEAR REPORT

Brief Explanation of Results

- (1) The Consolidated Entity incurred a net loss of \$3.5 million (pre and post tax) during the current reporting period (December 2010: \$2.8 million net profit pre and post tax).
- (2) Net realised loss and net unrealised loss on investments were \$1.596 million and \$1.239 million respectively (December 2010: \$0.018 million net realised gain and \$3.104 million net unrealised gain), and gross interest, dividend and other investment income was \$0.161 million (December 2010: \$0.339 million).
- (3) Net realised loss and net unrealised loss on the investment in the FSP Fund were \$1.142 million and \$1.045 million respectively (December 2010: \$nil net realised gain/loss and \$3.107 million net unrealised gains).
- (4) Net realised loss and net unrealised loss on other listed and unlisted securities were \$0.454 million and \$0.194 million respectively (December 2010: \$0.018 million net realised gain and \$0.03 million net unrealised loss).
- (5) Bentley paid one cent fully franked interim and final dividends (being a total of 2 cents at a total cost of \$1,448,935) during the 2011 calendar year (in March 2011 and September 2011) (2010: 2 cents at a total cost of \$1,437,949), which represents a grossed up dividend yield of 17.23% (December 2010: 11.45%) based on Bentley's volume weighted average share price of 16.58 cents (December 2010: 24.96 cents) during the calendar year.
- (6) Bentley paid a 2.4 cent fully franked special dividend¹ in September 2011 (at a total cost of \$1,742,371) and returned 5 cents per share to shareholders in October 2011 (at a total cost of \$3,672,845) under a return of capital approved by shareholders on 4 October 2011².
- (7) Bentley has bought-back³ a total of 665,961 shares (at a total cost of \$144,783 and at an average cost (including brokerage) of \$0.217 per share) during the financial half year (December 2010: Nil; no on-market share buy-back was in place).
- (8) A portion of the Company's funds are held under management by Sydney based fund manager, FSP Equities Management, in the wholesale FSP Equities Leaders Fund (**FSP Fund**). As at 31 December 2011, Bentley had 28.7% (\$5.56 million) of its net assets invested in the FSP Fund (December 2010: 84.2% and \$26.58 million). The 12 month performance of the FSP Fund to 31 December 2011 was -17.3% (December 2010: +6.4%) compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of -10.5% (December 2010: +1.6%).
- (9) There were no entitlements arising under the Company's Performance Bonus Scheme (**PBS**) (which was implemented on 1 May 2010) during the financial half year (December 2010: nil). The conditions for payment to members of the Investment Committee are related to Bentley's financial performance (based on the change in Bentley's net asset value relative to the Benchmark ASX All Ordinaries Index) during each half-year period.

Please also refer to the Directors' Report and financial statements and notes thereto for further information on a review of Bentley's operations and financial position and performance for the half year ended 31 December 2011.

¹ Refer 25 August 2011 ASX market announcement "[Dividends and Proposed Capital Return](#)"

² Refer Bentley's [Notice of General Meeting dated 26 August 2011 and released on ASX on 1 September 2011](#) for a general meeting held on [4 October 2011](#)

³ Refer 17 August 2011 ASX market announcement "[Intention to Conduct On-Market Share Buy-Back](#)" and [Appendix 3C - Announcement of Buy-Back dated 17 August 2011](#)

APPENDIX 4D HALF YEAR REPORT

Dividends

The Directors have not declared an interim dividend in respect of the half year ended 31 December 2011.

The Company has paid 3.4 cents of fully franked final and special dividends (at a total cost of \$2.469 million) and issued 1,417,700 shares under its DRP, during the financial half year, as follows:

Dividend Rate	Record Date	Payment Date	Franking	DRP Issue Price
2.4 cents per share (Special Dividend)	5 September 2011	26 September 2011	100% franked	\$0.2188
1 cent per share (Final Dividend)	5 September 2011	26 September 2011	100% franked	\$0.2188

Proposed Return of Capital

The Directors have determined to seek shareholder approval for the Company to undertake a one cent per share return of capital (**Return of Capital**).

Although the Company incurred a net loss for the half year, it was the Company's understanding that recent changes to the Corporations Act permits the payment of dividends based on a company 'balance sheet'/solvency test and not based on whether a company has a net profit. However, recent pronouncements from the Australian Taxation Office (ATO) and Treasury have raised issues with a company's ability to pay a dividend where they do not have a profit (ie. either a current year net profit, unrealised 'capital profit' or retained earnings) notwithstanding the intended effect of the Corporations Act changes.

The Company currently holds uninvested capital in the form of cash and is therefore in a position to return capital to shareholders. Given the current uncertainty in relation to the Company's ability to pay a dividend, which the Company hopes will be redressed by further Treasury/legislative clarity before 30 June this year, the Directors have determined that it is appropriate for the Company to undertake the Return of Capital.

The Return of Capital is to be effected by the Company seeking shareholder approval for a reduction in the share capital of the Company by returning one cent per share to shareholders - this equates to an aggregate reduction of share capital by approximately \$0.733 million based upon the Company's 73,350,541 shares currently on issue.

No shares will be cancelled as a result of the Return of Capital. Accordingly, the number of shares held by each shareholder will not change as a consequence of the Return of Capital. The Return of Capital will have no effect on the number of shares on issue.

The Return of Capital is subject to shareholder approval which will be sought at a general meeting of shareholders anticipated to be held in mid-April 2012.

Meeting documentation advising details of the meeting together with relevant explanatory materials will be despatched to shareholders and sent to the ASX in due course. The meeting documentation will include details of the record date for determining eligibility to participate in the Return of Capital and the expected payment date, assuming the requisite resolution is passed by shareholders.

If all conditions are met, including shareholder approval, the Directors aim to distribute the Return of Capital during the second half of April 2012.

APPENDIX 4D HALF YEAR REPORT

Controlled Entities and Associates and Joint Venture Entities

The Company did not gain or lose control over other entities during the financial half year (December 2010: Scarborough Resources Pty Ltd was incorporated as a wholly owned subsidiary on 12 April 2011). The Company did not have any interest in associates or joint venture entities during the financial half year (December 2010: Nil).

For and on behalf of the Directors,



Date: 28 February 2012

Victor Ho

Company Secretary

Local Call: 1300 762 678 Telephone: (08) 9214 9757 Email: vho@bel.com.au

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 income and capital growth, whilst operating within acceptable risk parameters set by the Board; and
- Deliver a regular income stream for shareholders in the form of franked dividends

Within its broader investment mandate⁴, Bentley is focussing on several key investment sectors which the Board believes offer the opportunity to collectively generate overall returns for shareholders materially in excess of Bentley's benchmark All Ordinaries Index⁵:

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

As at 31 December 2011, BEL had a market capitalisation of \$12.47 million (at \$0.17 per share), net tangible assets (NTA) of \$19.27 million (at \$0.263 post-tax NTA backing per share), 73,350,541 fully paid ordinary shares on issue, and 2,141 shareholders on its share register (31 December 2011: \$19.52 million (at \$0.27 per share), NTA of \$31.72 million (at \$0.439 post-tax NTA backing per share), 72,294,764 fully paid ordinary shares on issue, and 2,213 shareholders).

NET ASSET WEIGHTINGS

Net Assets	31 January 2012		31 December 2011		30 June 2011		31 December 2010	
	\$'m	%	\$'m	%	\$'m	%	\$'m	%
Australian equities	11.63	58.4	11.61	60.2	28.47	98.9	27.11	85
Provision for income tax	-	-	-	-	-	-	-	-
Net cash on deposit/other assets/provisions	8.29	41.6	7.66	39.8	0.34	1.1	4.61	15
Total Net Assets	19.92	100	19.27	100	28.81	100	31.72	100
NTA Backing per share (pre and post tax)	\$0.2715		\$0.2627		\$0.3968		\$0.4387	

Note that the Company paid a 3.4 cent final and special fully franked dividend (totalling \$2.47 million) on 26 September 2011 and a 5 cent per share (totalling \$3.67 million) return of capital on 14 October 2011.

MAJOR HOLDINGS

Security	ASX Code	Industry Sector	31 December 2011		30 June 2011	
			Value	% of Net Assets	Value	% of Net Assets
FSP Equities Leaders Fund	Unlisted managed fund	Diversified	\$5.56m	28.9%	\$21.62m	75.1%
MEO Australia Limited	MEO	Energy	\$5.14m	26.7%	\$4.73m	16.4%
Other listed securities	Various	Various	\$0.71m	3.7%	\$1.92m	6.7%
Unlisted securities	Various	Various	\$0.20m	1.0%	\$0.20m	0.7%

RECENT DIVIDENDS

Rate per share	Record Date	Payment Date	Franking	DRP Issue Price
2.4 cents (Special)	5 September 2011	26 September 2011	100%	\$0.2188
One cent	5 September 2011	26 September 2011	100%	\$0.2188
One cent	10 March 2011	17 March 2011	100%	\$0.2429
One cent	22 September 2010	30 September 2010	100%	\$0.2325
One cent	8 March 2010	15 March 2010	100%	\$0.2952
One cent	28 October 2009	30 October 2009	100%	\$0.2689
One cent	24 September 2007	28 September 2007	100%	\$0.3615
One cent	1 March 2007	8 March 2007	100%	N/A

⁴ Approved by shareholders on 25 February 2009; refer Bentley's [Notice of Meeting dated 15 January 2009 and released on ASX on 23 January 2009](#); also reproduced in the Investment Mandate Section at page 64 of the 2011 Annual Report

⁵ Refer 10 May 2010 ASX market announcement "[Appointment of Chief Investment Officer and Implementation of Investment Strategy](#)"

DIRECTORS' REPORT

The Directors present their Directors' Report on Bentley Capital Limited ABN 87 008 108 218 (**Company** or **Bentley** or **BEL**) and its controlled entities (the **Consolidated Entity**) for the financial half year ended 31 December 2011 (**Balance Date**).

Bentley 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 as an investment company (ASX Code: BEL).

Bentley has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year, being wholly owned subsidiaries - Scarborough Equities Pty Ltd ACN 061 287 045 and Scarborough Resources Pty Ltd ACN 150 394 291 (incorporated on 12 April 2011).

PRINCIPAL ACTIVITIES

Bentley has been a listed investment company since its admission to ASX in 1986.

Bentley's investment objectives 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 in the form of franked dividends

Within its broader investment mandate⁶, Bentley is focussing on several key investment sectors which the Board believes offer the opportunity to collectively generate overall returns for shareholders materially in excess of Bentley's benchmark All Ordinaries Index⁷:

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

Details of the Bentley's investment mandate are in the 2011 Annual Report and on the Company's website www.bel.com.au.

NET TANGIBLE ASSET BACKING

CONSOLIDATED	December 2011 \$'000	June 2011 \$'000
Net tangible assets (before tax on unrealised gains)	19,268	28,743
Pre-tax NTA Backing per share (cents)	26.27	39.59
Less: Net deferred tax asset / liabilities	-	-
Net tangible assets (after tax on unrealised gains)	19,268	28,743
Post-tax NTA Backing per share (cents)	26.27	39.59
Pre and Post-Tax NTA backing per share (cents) (with dividends paid, return of capital and shares bought-back in previous 6 months added back)	34.84	40.59
Based on total issued shares	73,350,541	72,598,802

⁶ Approved by shareholders on 25 February 2009; refer Bentley's [Notice of Meeting dated 15 January 2009 and released on ASX on 22 January 2009](#); also reproduced in the Investment Mandate Section at page 64 of the 2011 Annual Report

⁷ Refer [10 May 2010 ASX market announcement "Appointment of Chief Investment Officer and Implementation of Investment Strategy"](#)

DIRECTORS' REPORT

The Company paid a 3.4 cent final and special fully franked dividend (at a total cost of \$2.47 million) on 26 September 2011 and a 5 cent per share (at a total cost of \$3.67 million) return of capital on 14 October 2011 (December 2010: one cent fully franked dividend paid in September 2010 at a total cost of \$0.72 million).

OPERATING RESULTS

CONSOLIDATED	December 2011 \$'000	December 2010 \$'000
Net gain on financial assets held at fair value through profit or loss	-	3,122
Other investment related income	161	340
Total revenue	161	3,462
Net loss on financial assets held at fair value through profit or loss	2,836	-
Other corporate and administration expenses	822	625
Total expenses	3,658	625
Profit/(loss) before income tax expense	(3,497)	2,837
Income tax expense	-	-
Profit(loss) after income tax expense	(3,497)	2,837

Bentley incurred a net loss of \$3.5 million (pre and post tax) during the half year (December 2010: \$2.8 million net profit pre and post tax).

Net realised loss and net unrealised loss on investments were \$1.596 million and \$1.239 million respectively (December 2010: \$0.018 million net realised gain and \$3.104 million net unrealised gain), and gross interest, dividend and other investment income was \$0.161 million (December 2010: \$0.339 million).

Net realised loss and net unrealised loss on the investment in the FSP Fund were \$1.142 million and \$1.045 million respectively (December 2010: \$nil net realised gain/loss and \$3.107 million net unrealised gains).

Net realised loss and net unrealised loss on other listed and unlisted securities were \$0.454 million and \$0.194 million respectively (December 2010: \$0.018 million net realised gain and \$0.003 million net unrealised loss).

LOSS PER SHARE

CONSOLIDATED	December 2011	December 2010
Basic earnings/(loss) per share (cents)	(4.80)	3.94

DIRECTORS' REPORT

FINANCIAL POSITION

CONSOLIDATED	December 2011 \$'000	June 2011 \$'000
Investments	11,606	28,467
Cash	7,907	156
Net deferred tax asset / liabilities	-	-
Other assets	138	259
Liabilities	(318)	(76)
Net assets	19,333	28,806
Issued capital	22,801	26,309
Retained earnings/(Accumulated losses)	(3,468)	2,497
Total equity	19,333	28,806

DIVIDENDS

The Directors have not declared an interim dividend in respect of the half year ended 31 December 2011.

The Company has paid 3.4 cents of fully franked final and special dividends (at a total cost of \$2.47 million) and issued 1,417,700 shares under its DRP, during the financial half year, as follows:

Dividend Rate	Record Date	Payment Date	Franking	DRP Issue Price
2.4 cents per share (Special Dividend)	5 September 2011	26 September 2011	100% franked	\$0.2188
1 cent per share (Final Dividend)	5 September 2011	26 September 2011	100% franked	\$0.2188

PROPOSED RETURN OF CAPITAL

The Directors have determined to seek shareholder approval for the Company to undertake a one cent per share return of capital (**Return of Capital**).

Although the Company incurred a net loss for the half year, it was the Company's understanding that recent changes to the Corporations Act permits the payment of dividends based on a company 'balance sheet'/solvency test and not based on whether a company has a net profit. However, recent pronouncements from the Australian Taxation Office (ATO) and Treasury have raised issues with a company's ability to pay a dividend where they do not have a profit (ie. either a current year net profit, unrealised 'capital profit' or retained earnings) notwithstanding the intended effect of the Corporations Act changes.

The Company currently holds uninvested capital in the form of cash and is therefore in a position to return capital to shareholders. Given the current uncertainty in relation to the Company's ability to pay a dividend, which the Company hopes will be redressed by further Treasury/legislative clarity before 30 June this year, the Directors have determined that it is appropriate for the Company to undertake the Return of Capital.

The Return of Capital is to be effected by the Company seeking shareholder approval for a reduction in the share capital of the Company by returning one cent per share to shareholders - this equates to an aggregate reduction of share capital by approximately \$0.733 million based upon the Company's 73,350,541 shares currently on issue.

DIRECTORS' REPORT

No shares will be cancelled as a result of the Return of Capital. Accordingly, the number of shares held by each shareholder will not change as a consequence of the Return of Capital. The Return of Capital will have no effect on the number of shares on issue.

The Return of Capital is subject to shareholder approval which will be sought at a general meeting of shareholders anticipated to be held in mid-April 2012.

Meeting documentation advising details of the meeting together with relevant explanatory materials will be despatched to shareholders and sent to the ASX in due course. The meeting documentation will include details of the record date for determining eligibility to participate in the Return of Capital and the expected payment date, assuming the requisite resolution is passed by shareholders.

If all conditions are met, including shareholder approval, the Directors aim to distribute the Return of Capital during the second half of April 2012.

CAPITAL MANAGEMENT

Securities on Issue

The Company has 73,350,541 (30 June 2011: 72,598,802) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

The Company issued 1,417,700 new shares (at an issue price of \$0.2188 per share) during the financial half year as a consequence of shareholders' participation under the Company's DRP.

On-Market Share Buy-Back

On 17 August 2011, Bentley announced its intention to conduct an on-market share buy-back of up to 6,599,890 shares (**Buy-Back**).⁸ This represents ~9.1% of the pre Buy-Back and 10% of the post Buy-Back issued share capital of the Company (as at the date of the announcement).

The Company cancelled 665,961 shares bought back at a total cost of \$144,783 (at an average buy-back cost (including brokerage) of \$0.217 per share) during the financial half year pursuant to the buy-back.

Return of Capital

The Company returned 5 cents per share to shareholders in October 2011 (at a total cost of \$3,672,845) during the financial half year pursuant to a return of capital approved by shareholders on 4 October 2011⁹. The return of capital had no effect on the total number of shares on issue nor the holdings of each shareholder.

Rationale for Capital Management Initiatives

The above 2.4 cent fully franked special dividend, Buy-Back and return of capital initiatives is part of the ongoing capital management initiatives being conducted by the Company to provide value to shareholders and have also been driven by a desire expressed by a number of shareholders for the Company to return a portion of its capital to shareholders.

⁸ Refer 17 August 2011 ASX market announcement "[Intention to Conduct On-Market Share Buy-Back](#)" and [Appendix 3C - Announcement of Buy-Back dated 17 August 2011](#)

⁹ Refer Bentley's [Notice of General Meeting dated 26 August 2011 and released on ASX on 1 September 2011](#) for a general meeting held on [4 October 2011](#)

DIRECTORS' REPORT

REVIEW OF OPERATIONS

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

Net Assets	31 January 2012		31 December 2011		30 June 2011		31 December 2010	
	\$'m	%	\$'m	%	\$'m	%	\$'m	%
Australian equities ¹	11.63	58.4	11.61	60.2	28.47	98.9	27.11	85
Provision for income tax	-	-	-	-	-	-	-	-
Net cash on deposit/other assets/ provisions	8.29	41.6	7.66	39.8	0.34	1.1	4.61	15
TOTAL NET ASSETS	19.92	100	19.27	100	28.8	100	31.72	100

¹ Includes an investment in the FSP Equities Leaders Fund

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	31 January 2012		31 December 2011		30 June 2011		31 December 2010	
			\$'m	%	\$'m	%	\$'m	%	\$'m	%
FSP Equities Leaders Fund	Unlisted managed fund	Diversified	5.91	29.7	5.56	28.9	21.62	75.1	26.74	84.2
MEO Australia Ltd	MEO	Energy	5.43	27.3	5.14	26.7	4.73	16.4	3.00	9.5
Listed securities	Various	Various	0.10	0.5	0.71	3.7	1.92	6.7	0.51	1.3
Unlisted securities	Various	Various	0.20	1.0	0.20	1.0	0.20	0.7	-	-

Subsequent to 31 December 2011 half year end and to 27 February 2012, the Company:

- (1) Realised \$0.729 million from the sale of listed securities; and
- (2) Invested a further \$0.740 million in listed securities.

Chief Investment Officer

The Company's Sydney based Chief Investment Officer (CIO), Mr Ben Loiterton, resigned in February 2012. A Sydney based Investment Analyst also departed the Company at the same time.

The Board is reviewing the most appropriate way forward for the implementation of the Company's investment strategy. An announcement in this regard will be made in due course.

Investment in MEO Australia Limited (ASX Code: MEO)

Bentley is the second largest shareholder in MEO, with a holding of 29,349,898 shares (being 5.44% of MEO's total issued share capital) acquired at a total cost of \$6.26 million (at an average price of 0.21 cents per share). Bentley's investment in MEO was valued at \$5.43 million (based on a \$0.185 share price as at 31 December 2011) and is currently valued at \$5.72 million (based on a \$0.195 share price as at 27 February 2012).

MEO is an Australian based energy company holding exploration permits in the Offshore Carnarvon Basin (in the North West Shelf of Western Australia), Bonaparte Basin and Vulcan Sub-Basin (in the Timor Sea) and North Sumatra and East Java (Indonesia) and with a development project based on Commonwealth Government environmental approvals (expiring in 2052) to construct, install and operate an LNG plant and two methanol plants on Tassie Shoal (an area of shallow water in the Australian waters of the Timor Sea).

DIRECTORS' REPORT

Bentley was attracted to MEO because of the value potential of its projects and strong balance sheet. A significant fall in MEO's share price, after the company announced negative results from the drilling of an exploration well in December 2010, provided Bentley with the opportunity to accumulate a position in MEO at a value close to the cash backing of the company, where little value was being credited by the market to MEO's portfolio of projects.

Since making the investment, MEO has added substantially to its oil and gas exploration acreage portfolio, including new permits in the Timor Sea and Indonesia. MEO has also secured a farm-in joint venture with Italian energy major ENI over the prospective Heron gas field in the Timor Sea. ENI has awarded a rig contract for the drilling of the Heron-3 appraisal well. The rig is expected to be available to commence drilling late in Q2 2012 with results expected during Q3 2012.

Investment in the FSP Equities Leaders Fund (FSP Fund) ¹⁰

As at 31 December 2011, Bentley had 28.7% (\$5.56 million) of its net assets invested in the FSP Equities Leaders Fund (FSP Fund) (December 2010: 84% and \$26.58 million).

The 6 month net performance of the FSP Fund to 31 December 2011 was -15.2% (December 2010: +20.8%). The benchmark performance (S&P/ASX 200 Accumulation Index) was -9.7% (December 2010: +12.8%) over the same period.

During the financial half year, Bentley has invested a total of \$0.13 million into and redeemed a total of \$14 million out of the FSP Fund. Realisations have generated a net loss (from cost) of \$1.14 million.

The FSP 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 FSP Fund at short notice without any exit fees.

FSP Fund details provided to the Company as at 31 December 2011 are as follows:

- The equity portfolio weighting was 91.43% (31 December 2010: 99.3%);
- 85.58% of the equity portfolio was invested in companies contained within the S&P/ASX 200 Index (31 December 2010: 74.4%) with the balance of 14.42% invested in companies outside of the S&P/ASX 200 Index (31 December 2010: 25.5%); and
- The equity portfolio contained 47 holdings (31 December 2010: 57 holdings).

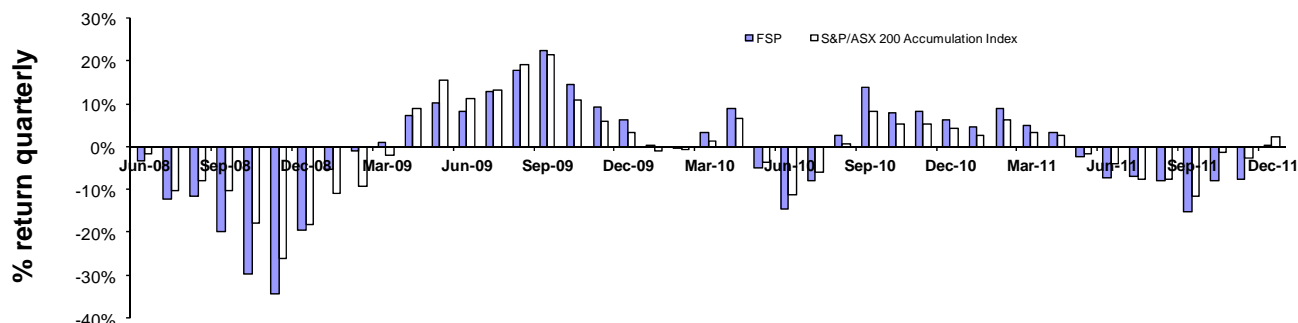
FSP Fund Returns To: 31 December 2011	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Since Inception (% p.a.)
FSP Fund	-3.6%	0.1%	-15.2%	-17.3%	-6.2%	7.8%	7.8%
ASX / S&P 200 Accumulation Index	-1.4%	2.1%	-9.7%	-10.5%	-4.7%	7.6%	6.4%

FSP Fund Returns To: 31 January 2012	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Since Inception (% p.a.)
FSP Fund	6.2%	-1.4%	-9.2%	-12.8%	-0.5%	11.1%	8.4%
ASX / S&P 200 Accumulation Index	5.1%	0.1%	-1.2%	-6.2%	0.9%	11.2%	6.9%

¹⁰ Based on information provided by investment manager, FSP Equities Management Limited

DIRECTORS' REPORT

FSP Equities Leaders Fund quarterly performance 2008-2011



Source: FSP Equities 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 FSP Equity Leaders Fund is not a reliable predictor of the future performance of such fund; FSP have not made any representation to the Company that it will achieve any specific future rate of return on the fund

FSP Fund Top 20 Holdings		Fund Weight	FSP Fund Sector Weights		Fund Weight
ASX Code	Asset Name	31-Dec-11			31-Dec-11
WBC	WESTPAC BANKING CORPORATION	9.6%	Financials(ex-Property)		29.9%
CBA	COMMONWEALTH BANK OF AUSTRALIA	9.0%	Materials		26.1%
BHP	BHP BILLITON LIMITED	7.3%	Industrials		17.1%
ANZ	ANZ BANKING GROUP LIMITED	6.8%	Cash/Hybrids/Fixed Interest		8.6%
TCL	TRANSURBAN GROUP	3.1%	Consumer Discretionary		7.1%
OSH	OIL SEARCH LIMITED	3.0%	Energy		3.9%
MIN	MINERAL RESOURCES LIMITED	3.0%	Property Trusts		3.7%
FLT	FLIGHT CENTRE LTD	3.0%	Consumer Staples		3.3%
UGL	UGL LIMITED	2.9%	Information Technology		0.3%
RIO	RIO TINTO LIMITED	2.4%			
NWH	NRW HOLDINGS LIMITED	2.2%			
MMS	MCMILLAN SHAKESPEARE LIMITED	2.2%			
CPA	COMMONWEALTH PROPERTY OFFICE FUND	2.1%			
IVC	INVOCARE LIMITED	1.8%			
GCS	GLOBAL CONSTRUCTION SERVICES LTD	1.7%			
RED	RED 5 LIMITED	1.7%			
CFX	CFS RETAIL PROPERTY TRUST	1.6%			
MND	MONADELPHOUS GROUP LIMITED	1.6%			
GNC	GRAINCORP LIMITED	1.5%			
IFL	IOOF HOLDINGS LIMITED	1.5%			

DIRECTORS' REPORT

Performance Bonus Scheme (PBS)

There were no entitlements arising under the Company's Performance Bonus Scheme (PBS) (which was implemented on 1 May 2010¹¹) during the financial half year (December 2010: nil). The conditions for payment to members of the Investment Committee are related to Bentley's financial performance (based on the change in Bentley's net asset value relative to the Benchmark ASX All Ordinaries Index) during each half-year.

There was a \$1.22 million underperformance recorded for the half year ended 30 June 2011 and a \$35,651 underperformance recorded for the half year ended 31 December 2011, under the PBS. Each of these half year underperformance values will be carried over to the next two half years (ending 30 June 2012 and 31 December 2012), such that these underperformance values must be 'clawed back' by future outperformance before a performance bonus can be paid in the following two half years.

DIRECTORS

Directors in office during or since the financial half 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. (UWA)
<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>	– 35,675,952 ordinary shares ¹²
<i>Special Responsibilities</i>	– Chairman of the Board and Investment Committee
<i>Other current directorships in listed entities</i>	<ul style="list-style-type: none"> (1) Executive Chairman and Managing Director of Queste Communications Ltd (since 10 March 1998) (2) Executive Chairman of Orion Equities Limited (since 23 October 2006) (3) Non-Executive Director of Alara Resources Limited (Director since 18 May 2007)
<i>Former directorships in other listed entities in past 3 years</i>	<ul style="list-style-type: none"> (1) ITS Capital Investments Ltd (now known as Yellow Brick Road Holdings Limited) (27 April 2006 to 18 March 2011) (2) Strike Resources Limited 3 September 1999 to 3 February 2011) (3) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

¹¹ Refer [10 May 2010 ASX market announcement "Appointment of Chief Investment Officer and Implementation of Investment Strategy"](#) and also the Remuneration Report at pages 20 to 24 of the 2011 Annual Report.

¹² Relevant interests held as described in Farooq Khan's [Notice of Change in Interests of Substantial Holder dated 12 July 2011](#)

DIRECTORS' REPORT

WILLIAM M. JOHNSON – Executive Director

- Appointed* – 13 March 2009
- Qualifications* – MA (Oxon), MBA
- Experience* – Mr Johnson commenced his career in resource exploration and has held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. Throughout his career, Mr Johnson has been actively involved in the strategic analysis of a diverse range of business and investment opportunities and the execution of many corporate transactions. Mr Johnson brings a considerable depth of experience in business strategy and investment analysis and execution.
- Relevant interest in shares* – None
- Special Responsibilities* – Member of the Investment Committee, Audit Committee and Remuneration Committee
- Other current directorships in listed entities* – (1) Executive Director of Orion Equities Limited (since 28 February 2003)
(2) Executive Director of Alara Resources Limited (since 26 October 2009)
(3) Non-Executive Director of Strike Resources Limited (since 14 July 2006)
- Former directorships in other listed entities in past 3 years* – None
-

CHRISTOPHER B. RYAN – Non-Executive Director

- Appointed* – 5 February 2004
- Qualifications* – BEcon (UWA), MBA (UNSW)
- Experience* – Mr Ryan is the Principal of Westchester Corporate Finance, a Sydney based corporate advisory firm specialising in advising listed companies on fund raising, mergers and acquisitions and associated transactions. Prior to forming Westchester in July 1996, Christopher was with Schroders Australia for 27 years. At Schroders, he served 3 years in the investment division, 2 years as an economist monitoring influences on interest and exchange rates and 22 years in the corporate finance division of which he was a director for 19 years specialising in advising on project financing and mergers and acquisitions mainly in the Australian minerals and oil and gas sectors.
- Relevant interest in shares* – None
- Special Responsibilities* – Chairman of the Audit Committee and Remuneration Committee
- Other current directorships in listed entities* – None
- Former directorships in other listed entities in past 3 years* – (1) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)
(2) Blue Ensign Technologies Limited (22 August 2002 to 12 May 2009)
-

DIRECTORS' REPORT

COMPANY SECRETARY

VICTOR P. H. HO – **Company Secretary**

Appointed – Since 5 February 2004

Qualifications – BCom, LLB (UIWA)

Experience – Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations.

Special Responsibilities – Member of the Investment Committee and Secretary of the Audit Committee and Remuneration Committee

Relevant interest in shares – 5,945 ordinary shares

Other positions held in listed entities – Current Executive Director and Company Secretary of:

- (1) Orion Equities Limited (Secretary since 2 August 2000 and Director since 4 July 2003)

Current Company Secretary of:

- (2) Queste Communications Ltd (since 30 August 2000)
- (3) Alara Resources Limited (since 4 April 2007)

Former position in other listed entities in past 3 years – (1) Strike Resources Limited (Secretary between 9 March 2000 and 30 April 2010 and Director between 12 October 2000 and 30 April 2010)

- (2) Scarborough Equities Limited (merged with Bentley on 13 March 2009 and delisted)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 17. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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



Farooq Khan
Chairman



Christopher Ryan
Non-Executive Director

28 February 2012



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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

28 February 2012

Bentley Capital Limited
The Board of Directors
Level 14, The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF
BENTLEY CAPITAL LIMITED**

As lead auditor for the review of Bentley Capital Limited for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bentley Capital Limited and the entities it controlled during the period.

Chris Burton
Director

BDO Audit (WA) Pty Ltd
Perth Western Australia.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year ended 31 December 2011

	Note	31-Dec-11 \$	31-Dec-10 \$
Investment income	2		
Dividend income		5,287	2,660
Interest income from financial assets not held at fair value through profit or loss		133,498	336,801
Net gains on financial assets held at fair value through profit or loss		-	3,122,220
Other income		21,998	108
Total net investment income		160,783	3,461,789
Expenses	2		
Net loss on financial assets held at fair value through profit or loss		(2,835,737)	-
Occupancy expenses		(72,454)	(56,984)
Finance expenses		(2,382)	(3,079)
Corporate expenses		(53,624)	(40,915)
Administration expenses		(693,918)	(524,028)
PROFIT/(LOSS) BEFORE INCOME TAX		(3,497,332)	2,836,783
Income tax expense		-	(226)
PROFIT/(LOSS) FOR THE HALF YEAR		(3,497,332)	2,836,557
Other comprehensive income			
Other comprehensive income, net of tax		-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE HALF YEAR		(3,497,332)	2,836,557
Total comprehensive income and expense for the half year is attributable to:			
Owners of Bentley Capital Limited		(3,497,332)	2,836,557
Basic earnings/(loss) per share (cents)	4	(4.80)	3.94

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2011

	Note	31-Dec-11 \$	30-Jun-11 \$
CURRENT ASSETS			
Cash and cash equivalents	5	7,907,178	155,948
Financial assets held at fair value through profit and loss	6	11,606,087	28,467,511
Trade and other receivables		42,120	157,378
Other current assets		19,969	24,887
TOTAL CURRENT ASSETS		19,575,354	28,805,724
NON CURRENT ASSETS			
Resource project		64,863	63,871
Property, plant and equipment		10,983	12,501
TOTAL NON CURRENT ASSETS		75,846	76,372
TOTAL ASSETS		19,651,200	28,882,096
CURRENT LIABILITIES			
Trade and other payables		295,568	58,811
TOTAL CURRENT LIABILITIES		295,568	58,811
NON CURRENT LIABILITIES			
Provisions		22,283	16,813
TOTAL NON CURRENT LIABILITIES		22,283	16,813
TOTAL LIABILITIES		317,851	75,624
NET ASSETS		19,333,349	28,806,472
EQUITY			
Issued capital	7	22,801,301	26,308,733
Retained earnings/(Accumulated Losses)		(3,467,952)	2,497,739
TOTAL EQUITY		19,333,349	28,806,472

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2011

	Note	Issued Capital \$	Retained earnings/ (Accumulated Losses) \$	Total \$
At 1 July 2010		26,168,592	3,366,803	29,535,395
Profit for the half year		-	2,836,557	2,836,557
Total comprehensive income for the half year		-	2,836,557	2,836,557
Transactions with owners in their capacity as owners:				
Dividends paid	3	-	(720,096)	(720,096)
Issue under Dividend Reinvestment Plan	7	66,291	-	66,291
At 31 December 2010		<u>26,234,883</u>	<u>5,483,264</u>	<u>31,718,147</u>
At 1 July 2011		26,308,733	2,497,739	28,806,472
Loss for the half year		-	(3,497,332)	(3,497,332)
Total comprehensive loss for the half year		-	(3,497,332)	(3,497,332)
Transactions with owners in their capacity as owners:				
Dividends paid	3	-	(2,468,359)	(2,468,359)
Issue under Dividend Reinvestment Plan	7	310,196	-	310,196
Return of capital	7	(3,672,845)	-	(3,672,845)
Share buy back	7	(144,783)	-	(144,783)
At 31 December 2011		<u>22,801,301</u>	<u>(3,467,952)</u>	<u>19,333,349</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2011

	Note	31-Dec-11	31-Dec-10
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		5,287	2,660
Interest received		121,278	402,318
Other income received		172,797	145,452
Payment to suppliers		(685,760)	(682,515)
Payment for exploration and evaluation		(991)	-
Interest paid		-	(1,869)
Sale/Redemption of financial assets held at fair value through profit or loss		17,557,672	-
Purchase of financial assets held at fair value through profit or loss		(3,561,423)	(10,337,327)
		<hr/>	<hr/>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		13,608,860	(10,471,281)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(68)	(4,146)
		<hr/>	<hr/>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(68)	(4,146)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	3	(2,158,163)	(653,806)
Return of capital	7	(3,554,616)	-
Share buy-back	7	(144,783)	-
		<hr/>	<hr/>
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(5,857,562)	(653,806)
NET INCREASE/(DECREASE) IN CASH HELD		7,751,230	(11,129,233)
Cash at beginning of the financial year		155,948	15,762,433
		<hr/>	<hr/>
CASH AT THE END OF THE FINANCIAL HALF YEAR	5	7,907,178	4,633,200

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half-year financial statements do not include notes of the type normally included in the annual financial statements and shall be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2011 to the date of this report.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's financial statements for the year ended 30 June 2011.

2. PROFIT/(LOSS) FOR THE HALF YEAR

The Consolidated Entity's operating profit/(loss) before income tax includes the following items of revenue and expense:

	31-Dec-11	31-Dec-10
(a) Investment income	\$	\$
Dividend income	5,287	2,660
Interest income from financial assets not held at fair value through profit or loss	133,498	336,801
	<u>138,785</u>	<u>339,461</u>
Other income		
Net gains on financial assets held at fair value through profit or loss	-	3,122,220
Other income	21,998	108
	<u>160,783</u>	<u>3,461,789</u>
(b) Expenses		
Net loss on financial assets held at fair value through profit or loss	2,835,737	-
Occupancy expenses	72,454	56,984
Finance expenses	2,382	3,079
Corporate expenses		
- ASX fees	28,726	29,696
- Share registry	21,490	12,585
- Other corporate expenses	3,408	(1,366)
Administration expenses		
- Personnel	401,942	282,915
- Personnel- employee benefits	11,090	(3,649)
- Accounting, taxation and related administration	69,196	54,163
- Travel, accommodation and incidentals	26,528	35,152
- Office administration	51,663	29,850
- Audit	19,816	13,554
- Communications	7,668	20,138
- Other Professional fees	51,043	14,335
- Insurances	8,876	3,809
- Depreciation	1,586	1,179
- Write off of fixed assets	-	1,020
- Other administration expenses	44,510	71,562
	<u>3,658,115</u>	<u>625,006</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

3. DIVIDENDS

	31-Dec-11	31-Dec-10
Dividends on ordinary shares, declared and paid during the half year	Paid on \$	\$
One cent per share fully franked dividend	30-Sep-10 -	720,096
3.4 cents per share fully franked dividend	23-Sep-11 2,468,359	-
	<u>2,468,359</u>	<u>720,096</u>
Dividends paid in cash or satisfied by issue of shares under the dividend reinvestment plan were as follows:		
Paid in cash	2,158,163	653,805
Satisfied by issue of shares	310,196	66,291
	<u>2,468,359</u>	<u>720,096</u>
Franking credit balance	1,796,278	3,126,639
Franking debits arising from payment of dividends post balance date	-	(309,835)
	<u>1,796,278</u>	<u>2,816,804</u>

4. EARNINGS/(LOSS) PER SHARE

	31-Dec-11	31-Dec-10
Basic earnings/(loss) per share (cents)	(4.80)	3.94
Diluted earnings/(loss) per share (cents)	(4.80)	3.94
Profit/(Loss) used to calculate earnings per share (\$)	(3,497,332)	2,836,557
Weighted average number of ordinary shares during the period used in calculation of basic earnings per share	72,822,329	72,034,804

The Consolidated Entity has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earnings per share.

5. CASH AND CASH EQUIVALENTS

	31-Dec-11	30-Jun-11
	\$	\$
Cash at bank	1,552,178	150,948
Term Deposits	6,355,000	5,000
	<u>7,907,178</u>	<u>155,948</u>

6. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS

Current		
Listed investments at fair value	5,842,718	6,646,770
Unlisted investments at fair value	200,000	200,000
Units in unlisted FSP Equities Leaders Fund	5,563,369	21,620,741
	<u>11,606,087</u>	<u>28,467,511</u>

All financial assets held at fair value through profit or loss were designated as such upon initial recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

7. ISSUED CAPITAL	31-Dec-11	30-Jun-11	31-Dec-11	30-Jun-11
	shares	shares	\$	\$
Fully paid ordinary shares	73,350,541	72,598,802	22,801,301	26,308,733
		Date of	Number of	Company
At 30 June 2011		issue	shares	\$
At 1 July 2010			72,009,635	26,168,592
Issue under Dividend Reinvestment Plan at 23.25 cents per share ^(a)		30-Sep-10	285,129	66,291
At 31 December 2010			<u>72,294,764</u>	<u>26,234,883</u>
Issue under Dividend Reinvestment Plan at 24.29 cents per share ^(a)		17-Mar-11	304,038	73,850
At 30 June 2011			<u>72,598,802</u>	<u>26,308,733</u>
At 31 December 2011				
At 1 July 2011			72,598,802	26,308,733
Issue under Dividend Reinvestment Plan at 21.18 cents per share ^(a)		26-Sep-11	1,417,700	310,196
Return of capital ^(b)		14-Oct-11	-	(3,672,845)
Share buy-back ^(c)		Sep-11	(559,600)	(126,602)
Share buy-back ^(c)		Oct-11	(106,361)	(18,181)
At 31 December 2011			<u>73,350,541</u>	<u>22,801,301</u>

(a) Dividend reinvestment plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares issued under the plan during the current and previous financial half year were set at a 2.5% discount to the volume weighted average market price over five trading days up to and including the relevant dividend record date.

(b) Return of capital

The Company returned 5 cents per share to shareholders in October 2011 (at a total cost of \$3,672,845) pursuant to a return of capital approved by shareholders on 4 October 2011. The return of capital had no effect on the total number of shares on issue nor the holdings of each shareholder.

(c) Share buy back

On 17 August 2011, the Company announced its intention to conduct an on-market share buy-back of up to 6,599,890 shares (**Buy-Back**). This represents ~9.1% of the pre Buy-Back and 10% of the post Buy-Back issued share capital of the Company. In accordance with ASX Listing Rule 7.33, the Company will not pay any more than 5% above the average of the market price for the Company's shares over the last 5 days on which sales in the shares were recorded prior to the Buy-Back occurring. Also, the Company intends not to acquire shares under the Buy-Back at a price higher than 65% of its post tax NTA backing per share as announced to the ASX from month to month. The Buy-Back will continue until the earlier of the acquisition of the Buy-Back shares and 31 August 2012, subject to the Company exercising its right to suspend or terminate the Buy-Back, or amend its terms, at any time. Further, the Company only intends to buy back shares each month between the trading day after the Company announces its monthly updated NTA backing (usually on or about the 14th of the month) and the last trading day of that calendar month.

During the financial half year, the Company cancelled 665,961 shares bought back at a total cost of \$144,783 (at an average cost (including brokerage) of \$0.217) pursuant to the Buy-Back.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

7. ISSUED CAPITAL (continued)

(d) Capital risk management

The Company's objectives when managing its capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board will consider capital management initiatives as is appropriate and in the best interests of the Company and shareholders from time to time, including undertaking capital raisings, share buy backs, capital reductions and the payment of dividends.

The Consolidated Entity has no external borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

8. SEGMENT INFORMATION

The operating segments are reported in a manner consistent with the internal reporting provided to the "chief operating decision maker". The "chief operating decision maker", who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

As at the balance date, the Consolidated Entity's principal activity is the management of its investments. The Board considers the Consolidated Entity to have only one operating segment in one geographical region which is Australia.

9. COMMITMENTS

	31-Dec-11	30-Jun-11
	\$	\$
Not longer than one year	170,782	209,859
Between 12 months and 5 years	87,473	220,352
	<u>258,255</u>	<u>430,211</u>

The non-cancellable operating lease commitment is the Consolidated Entity's share of the office premises at Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia, and includes all outgoings (exclusive of GST). The lease is for a 7 year term expiring 30 June 2013 and contains a rent review increase each year alternating between 5% and the greater of market rate or CPI + 1%.

10. RELATED PARTY DISCLOSURES

(a) Loan to subsidiary

The Company has borrowed \$3,672,845 from its subsidiary, Scarborough Equities Pty Ltd. The Company has advanced \$64,763 to subsidiary, Scarborough Resources Pty Ltd. Interest is not charged on such outstanding amounts.

(b) Other transactions with key management personnel

The Company's registered office in Sydney is located within the office of Westchester Financial Services Pty Limited (trading as Westchester Corporate Finance) (Westchester), a corporate advisory company in which Non-Executive Director, Christopher Ryan is the principal. This office has also been utilised by the Company's Chief Investment Officer and Investment Analyst and accordingly, the Company has agreed to contribute \$825 per month (inclusive of GST) towards Westchester's lease and shared office related costs.

	31-Dec-11	31-Dec-10
	\$	\$
Amounts recognised as expense		
Sydney office costs	4,950	2,475

There were no other transactions with key management personnel (or their personally related entities) during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2011

11. CONTINGENT ASSETS AND LIABILITIES

The Consolidated Entity does not have any contingent assets or liabilities.

12. EVENTS AFTER BALANCE DATE

- (a) On 28 February 2012, the Company announced its intention to seek shareholder approval to undertake a one cent per share return of capital (**Return of Capital**). The Return of Capital is to be effected by the Company seeking shareholder approval for a reduction in the share capital of the Company by returning one cent per share to shareholders - this equates to an aggregate reduction of share capital by approximately \$0.733 million based upon the Company's 73,350,541 shares currently on issue. No shares will be cancelled as a result of the Return of Capital. Accordingly, the number of shares held by each shareholder will not change as a consequence of the Return of Capital. The Return of Capital will have no effect on the number of shares on issue. The Return of Capital is subject to shareholder approval which will be sought at a general meeting of shareholders anticipated to be held in mid-April 2012. Meeting documentation advising details of the meeting together with relevant explanatory materials will be despatched to shareholders and sent to the ASX in due course. The meeting documentation will include details of the record date for determining eligibility to participate in the Return of Capital and the expected payment date, assuming the requisite resolution is passed by shareholders. If all conditions are met, including shareholder approval, the Directors aim to have Return of Capital paid in the second half of April 2012.
- (b) Subsequent to balance date (and as at 27 February 2012), the Company:
- (i) Realised \$0.729 million from the sale of listed securities; and
 - (ii) Invested a further \$0.740 million in listed securities.

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Bentley Capital Limited made pursuant to sub-section 303(5) of the *Corporations Act 2001*, we state that:

In the opinion of the Directors:

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *Corporations Regulations 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.

On behalf of the Board,



Farooq Khan
Chairman



Christopher Ryan
Non-Executive Director

28 February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BENTLEY CAPITAL LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bentley Capital Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bentley Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bentley Capital Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bentley Capital Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO


Chris Burton
Director

Perth, Western Australia
Dated this 28th day of February 2012

SECURITIES INFORMATION

as at 31 December 2011

DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	263	130,962	0.179%
1,001	-	5,000	803	2,479,020	3.380%
5,001	-	10,000	424	3,064,315	4.178%
10,001	-	100,000	591	15,909,584	21.690%
100,001	-	and over	60	51,766,660	70.574%
Total			2141	73,350,541	100%

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Number of Shares held	Voting Power ⁽¹⁾
Orion Equities Limited (OEQ)	OEQ	20,513,783	27.967%
Queste Communications Ltd (QUE)	QUE	1,740,625	30.34% ⁽²⁾
	OEQ	20,513,783	
Data Base Systems Limited (DBS) and Ambreen Chaudhri	DBS	13,421,544	48.638% ⁽³⁾
	QUE	1,740,625	
	OEQ	20,513,783	
Farooq Khan and Island Australia Pty Ltd	DBS	13,421,544	48.638% ⁽⁴⁾
	QUE	1,740,625	
	OEQ	20,513,783	
Bellwether Investments Pty Ltd (Bellwether), James Stuart Craig and their associates	Equitas Nominees Pty Limited <PB-600687 A/C>	3,735,917	5.734% ⁽⁵⁾
	Mr Robert James Craig	674,023	
	Mr Michael Craig	95,217	

Notes:

- (1) The Voting Power percentages are based on the Company's total issued share capital/total voting power as at 31 December 2011
- (2) Refer [substantial shareholding notice filed by QUE dated 15 October 2009](#)
- (3) Refer [substantial shareholding notice filed by DBS and Ambreen Chaudhri dated 12 July 2011](#)
- (4) Refer [substantial shareholding notice filed by Farooq Khan dated 11 July 2011](#)
- (5) Refer [substantial shareholding notice filed by Bellwether and associates dated 1 February 2012](#)

SECURITIES INFORMATION

as at 31 December 2011

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares Held	% Issued Capital
1	ORION EQUITIES LIMITED		20,513,783	27.967
2	DATABASE SYSTEMS LTD		13,421,544	18.298
3	MR ROBERT JAMES CRAIG	674,023		
	EQUITAS NOMINEES PTY LIMITED	3,436,746		
	MR MICHAEL CRAIG	95,217		
		Sub-total	4,205,986	5.734
4	QUESTE COMMUNICATIONS LTD		1,740,625	2.373
5	MR JOHN ROBERT DILLON		1,390,113	1.895
6	MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN		808,035	1.102
7	PATJEN2 PTY LTD		557,441	0.771
8	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE		364,104	0.496
9	MRS LEANNE MAREE ROCKEFELLER		352,015	0.480
10	EDDAGATE PTY LIMITED		346,618	0.473
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED		344,457	0.470
12	MON NOMINEES PTY LTD		330,000	0.450
13	DR SPENCER DAVID		328,074	0.447
14	MRS LOUISE ANGELA KISSANE		322,767	0.440
15	MCCUE FAMILY HOLDINGS PTY LTD		305,780	0.417
16	MRS KERRY ELIZABETH DRAFFIN		261,879	0.357
17	MR PAUL GERARD GRAFEN		233,843	0.319
18	SANPEREZ PTY LTD		221,202	0.302
19	JOHN AND DIANNE SHEA FAMILY INVESTMENTS PTY LTD		210,808	0.287
20	KJ & MJ GILROY PTY LTD		200,000	0.273
	KERIN MANAGEMENT SERVICES PTY LTD		200,000	0.273
	MR ANTHONY PAUL JOHNSON		200,000	0.273
TOTAL			46,859,074	73.897%