Bentley Capital Limited

ASX Appendix 4E
Preliminary Final Report
(Unaudited)

30 June 2009

ASX Code: BEL

Bentley Capital Limited
A.B.N. 87 008 108 218

(formerly Bentley International Limited)

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ASX PRELIMINARY FINAL REPORT

This Preliminary Final Report is provided to the Australian Securities Exchange (**ASX**) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ended year ended 30 June 2009
Previous Corresponding Period:	Financial year ended year ended 30 June 2008
Balance Date:	30 June 2009
Company:	Bentley Capital Limited (**Bentley** or **BEL**)
Consolidated Entity:	Previous Corresponding Period: BEL did not have any controlled entities

Current Reporting Period: BEL and controlled entities:

(1) Scarborough Equities Pty Ltd (formerly Scarborough Equities Limited) (**Scarborough** or **SCB**) a wholly owned subsidiary acquired upon the completion of a scheme of arrangement merger on 13 March 2009;

(2) RIPL Investments Pty Limited (**RIPL**), a wholly owned subsidiary of SCB, which was deregistered on 11 May 2009; and

(3) HTH Trading Pty Limited, a wholly owned subsidiary of RIPL, which was deregistered on 11 May 2009.

Bentley did not have any controlled entities prior to the merger with Scarborough. Accordingly, the Consolidated Entity does not have any 30 June 2008 comparative financial information. 30 June 2008 comparative financial information for the Company is shown instead.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	CONSOLIDATED JUNE 2009 $'000	COMPANY JUNE 2008 $'000	% CHANGE	UP / DOWN
Reversal of provision for unrealised loss on financial assets held at fair value through profit or loss (that were sold during the year)	4,512	436	935%	Up
Other investment related income	1,027	7	13800%	Up
Total revenue	5,539	443	1149%	Up
Realised loss on financial assets held at fair value through profit or loss (that were sold during the year)	3,628	(10)	34919%	Up
Unrealised loss on financial assets held at fair value through profit or loss	-	3,632	100%	Loss Down
Foreign exchange losses	839	12	6990%	Up
Investment manager's fees	156	175	11%	Down
Merger costs	225	-	100%	Costs Up
Other corporate and administration expenses	515	437	18%	Up
Total expenses	5,362	4,245	26%	Up
Profit/(Loss) before tax	176	(3,801)	105%	Up
Income tax benefit / (expense)	(901)	903	200%	Benefit Down
Loss after tax attributable to members	(725)	(2,899)	75%	Down

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	CONSOLIDATED June 2009	COMPANY June 2008	% CHANGE	UP / DOWN
Basic and diluted loss per share (cents)	(1.46)	(7.23)	80%	Down
Pre-Tax NTA backing per share (cents)	38.76	42.22	8%	Down
Post-Tax NTA backing per share (cents)	38.76	39.98	3%	Down

BRIEF EXPLANATION OF RESULTS

Bentley's 12 month after tax net tangible asset (**NTA**) performance to 30 June 2009 was -3%. This compares with the performance of the ASX All Ordinaries Index of –26% over the same period. The outperformance of the Company relative to the ASX All Ordinaries Index was mainly due to the Board's decision during the year to realise its international equities portfolio and move to a defensive cash position, rather than remain invested in international securities.

The Consolidated Entity earned a net profit of $0.176 million (pre tax) and incurred a net loss of $0.725 million (post tax) during the current reporting period.

Net realised gains on sale of share investments were $0.883 million ($4.511 million net reversal of provision for unrealised losses on financial assets sold during the year less $3.628 million realised loss on financial assets sold during the year) and gross interest, dividend and other income was $1.027 million against $0.839 million foreign exchange losses, $0.225 million merger costs, $0.188 million management and custody fees and $0.482 million other corporate and administration expenses.

DIVIDENDS

The Directors have not declared a final dividend as the Consolidated Entity incurred an after tax net loss for the financial year and did not have any retained earnings as at 30 June 2009.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

During the financial year, the Company:

(i) obtained shareholder approval for a new broader investment mandate (20 February 2009);

(ii) completed a merger with Scarborough Equities Limited and expanded its net asset base by $11.5 million (comprising an investment in the FSP Equities Leaders Fund) and share capital base by 31,350,322 shares (13 March 2009);

(iii) realised 100% of its international investment portfolio in 2 tranches (October 2008 and April 2009) and invested the sale proceeds defensively in cash with Australian banks;

(iv) terminated its investment management agreement with Constellation Capital Management Limited, who were managing the international investment portfolio of the Company (effective 9 May 2009); and

(v) terminated its custody agreement with National Australia Bank Limited (effective 30 June 2009).

Please refer to the attached financial report (comprising the financial statements and notes thereto) for further information on the financial position and performance of the Consolidated Entity and Company for the year ended 30 June 2009 (unaudited).

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CONTROLLED ENTITIES

The Company gained control of the following entities during the financial year:

(1) Scarborough Equities Pty Ltd ACN 061 287 045 (formerly Scarborough Equities Limited) (**SCB**), a wholly owned subsidiary acquired upon the completion of a scheme of arrangement merger on 13 March 2009;

(2) RIPL Investments Pty Limited ABN 58 096 139 374 (**RIPL**), a wholly owned subsidiary of SCB (control gained on 13 March 2009; and

(3) HTH Trading Pty Limited ABN 60 105 905 904, a wholly owned subsidiary of RIPL (control gained on 13 March 2009).

The Company ceased control of the following entities during the financial year:

(1) RIPL, which was deregistered on 11 May 2009; and

(2) HTH, which was deregistered on 11 May 2009.

STATUS OF AUDIT

This Preliminary Final Report is based on accounts to which one of the following applies:

X	Accounts that are in the process of being audited.

ANNUAL GENERAL MEETING

Pursuant to the ASX Listing Rules, the Company gives notice that its 2009 Annual General Meeting (**AGM**) will be held at The Forrest Centre Conference Suites, Level 14, The Forrest Centre, 221 St Georges Terrace, Perth, Western Australia on Wednesday, 18 November 2009.

For and on behalf of the Directors,

Date: 31 August 2009

Victor Ho
Company Secretary

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

INCOME STATEMENT
for the year ended 30 June 2009

	Note	Consolidated Entity 2009	Company 2009	Company 2008
			$	$
Revenue from continuing operations	2	984,757	595,538	435,989
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets held at fair value through profit or loss		4,511,689	3,007,734	-
Other income		42,173	362	7,388
		5,538,619	3,603,634	443,377
Expenses	2			
Investment expenses				
- Realised (gain)/loss on financial assets held at fair value through profit or loss		(3,628,490)	(3,628,490)	10,421
- Unrealised losses in the net fair value of investments		-	-	(3,631,830)
- Foreign exchange losses		(838,540)	(838,540)	(11,827)
- Withholding tax		(22,586)	(22,586)	(52,690)
- Merger costs		(224,836)	(223,920)	-
Occupancy expenses		(55,855)	(52,143)	(19,404)
Finance expenses		(1,002)	(818)	(651)
Borrowing cost		(1)	(1)	(1)
Corporate expenses		(184,298)	(184,067)	(239,380)
Administration expenses		(406,773)	(365,160)	(299,326)
PROFIT/(LOSS) BEFORE INCOME TAX		176,238	(1,712,091)	(3,801,311)
Income tax (expense)/benefit	3	(901,403)	(901,403)	902,772
LOSS FOR THE YEAR		(725,165)	(2,613,494)	(2,898,539)
LOSS ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(725,165)	(2,613,494)	(2,898,539)
Basic loss per share (cents)	8	(1.5)	(5.3)	(7.2)

The accompanying notes form part of this financial report

BALANCE SHEET
as at 30 June 2009

		Consolidated Entity	Company	
		2009	2009	2008
	Note	$	$	$
CURRENT ASSETS				
Cash and cash equivalents	9	14,650,307	14,434,075	333,566
Financial assets held at fair value through profit and loss	12	12,758,609	-	15,851,257
Trade and other receivables	10	440,719	23,247	37,680
Other current assets	11	6,518	6,518	-
TOTAL CURRENT ASSETS		27,856,153	14,463,840	16,222,503
NON CURRENT ASSETS				
Property, plant and equipment	13	8,532	3,242	4,457
Deferred tax asset	17	6,975	6,975	912,991
Other financial assets	14	-	11,485,743	-
TOTAL NON CURRENT ASSETS		15,507	11,495,960	917,448
TOTAL ASSETS		27,871,660	25,959,800	17,139,951
CURRENT LIABILITIES				
Trade and other payables	15	110,610	87,079	137,187
TOTAL CURRENT LIABILITIES		110,610	87,079	137,187
NON CURRENT LIABILITIES				
Provisions	16	6,277	6,277	3,956
Deferred tax liabilities	17	6,975	6,975	11,588
TOTAL NON CURRENT LIABILITIES		13,252	13,252	15,544
TOTAL LIABILITIES		123,862	100,331	152,731
NET ASSETS		27,747,798	25,859,469	16,987,220
EQUITY				
Issued capital	18	29,663,934	29,663,934	18,178,191
Accumulated losses		(1,916,136)	(3,804,465)	(1,190,971)
TOTAL EQUITY		27,747,798	25,859,469	16,987,220

The accompanying notes form part of this financial report

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2009

	Issued Capital	Accumulated Losses	Total
<u>Consolidated Entity</u>	$	$	$
At 1 July 2008	18,178,191	(1,190,971)	16,987,220
Loss for the year	-	(725,165)	(725,165)
Total recognised income and expense for the year	-	(725,165)	(725,165)
Shares issued under scheme of arrangement	11,485,743	-	11,485,743
Dividends paid	-	-	-
At 30 June 2009	29,663,934	(1,916,136)	27,747,798

	Issued Capital	Accumulated Losses	Total
<u>Company</u>			
At 1 July 2007	17,995,366	2,104,851	20,100,217
Loss for the year	-	(2,898,539)	(2,898,539)
Total recognised income and expense for the year	-	(2,898,539)	(2,898,539)
Shares issued under Dividend Reinvestment Plan	182,825	-	182,825
Dividends paid	-	(397,283)	(397,283)
At 30 June 2008	18,178,191	(1,190,971)	16,987,220
At 1 July 2008	18,178,191	(1,190,971)	16,987,220
Loss for the year	-	(2,613,494)	(2,613,494)
Total recognised income and expense for the year	-	(2,613,494)	(2,613,494)
Shares issued under scheme of arrangement	11,485,743	-	11,485,743
At 30 June 2009	29,663,934	(3,804,465)	25,859,469

The accompanying notes form part of this financial report

CASH FLOWS STATEMENT
for the year ended 30 June 2009

		Consolidated Entity	Company	
		2009	2009	2008
	Note	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES				
Dividends received		163,987	163,987	102,119
Interest received		430,323	417,119	15,768
Other income received		1,217	362	7,388
Investment manager's fees paid		(197,832)	(197,832)	(174,873)
Other expenses paid		(570,393)	(674,826)	(495,700)
Interest paid		(1)	(1)	(1)
Income taxes refunded/(paid)		87	87	19,896
Proceeds from sale/redemption of investments		15,354,500	15,354,500	296,770
Investment purchased		(56,556)	(56,556)	(10,070)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	9 a	15,125,332	15,006,840	(238,703)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for plant and equipment		(6,157)	(349)	(604)
Net cash inflow from subsidiary	5	103,548	-	-
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		97,391	(349)	(604)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid		-	-	(214,458)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		-	-	(214,458)
NET INCREASE/(DECREASE) IN CASH HELD		15,222,723	15,006,491	(453,765)
Cash at beginning of the financial year		333,566	333,566	761,486
Effect of exchange rate changes on cash		(905,982)	(905,982)	25,845
CASH AT THE END OF THE FINANCIAL YEAR	9	14,650,307	14,434,075	333,566

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1. SUMMARY OF ACCOUNTING POLICIES

The financial report (comprising the financial statements and notes thereto) is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Bentley Capital Limited (the **Company**) is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange (**ASX**). The Company does not have any controlled entities.

Compliance with IFRS

The financial report complies with all Australian equivalents to International Financial Reporting Standards (**AIFRS**). Compliance with AIFRS ensures that the financial statements of Bentley Capital Limited comply with International Financial Reporting Standards (**IFRS**).

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

Reporting Basis and Conventions

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

1.1. Principles of Consolidation

A controlled entity is any entity the Company has the power to control the financial and operating policies of so as to obtain benefits from its activities. A list of controlled entities is contained in note 14 to the financial statements. All controlled entities have a June financial year-end. All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

1.2. Investments and Other Financial Assets

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, these instruments are measured as set out below.

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

***Loans and receivables* -** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

***Financial liabilities* -** Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

At each reporting date, the Company assesses whether there is objective evidence that a financial risk has been impaired. Impairment losses are recognised in the income statement.

The Company's investment portfolio (comprising listed securities) is accounted for as "financial assets at fair value through profit and loss".

1.3. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, including but not limited to recent arm's length transactions, reference to similar instruments and option pricing models. The Company may use a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for other financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

The Company's investment portfolio (comprising listed securities) is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at reporting date (refer to Note 12).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1.4. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All revenue is stated net of the amount of goods and services tax (**GST**). The following specific recognition criteria must also be met before revenue is recognised:

Sale of Goods and Disposal of Assets - Revenue from the sale of goods and disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

Interest Revenue - Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend Revenue - Dividend revenue is recognised when the right to receive a dividend has been established. The Company brings dividend revenue to account on the applicable ex-dividend entitlement date.

Other Revenues - Other revenues are recognised on a receipts basis.

1.5. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each taxing jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses (if applicable).

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each taxing jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. The amount of deferred tax assets benefits brought to account or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1.6. Goods and Services Tax (GST)

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

1.7. Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when considered non-recoverable.

1.8. Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Computer Equipment	25%-40%	Straight Line

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

1.9. Impairment of Assets

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

1.10. Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1.11. Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new securities are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new securities for the acquisition of assets are included in the cost of the acquisition as part of the purchase consideration.

1.12. 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 period.

Diluted Earnings per Share - adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial period.

1.13. Employee Entitlements

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Employer superannuation contributions are made by the Company in accordance with statutory obligations and are charged as an expense when incurred.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

1.14. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts (if any) are shown within short-term borrowings in current liabilities on the balance sheet.

1.15. Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.16. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Company's segment reporting is contained in note 20 of the notes to the financial statements.

1.17. Dividends Policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

1.18. Comparative Figures

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

SECURITIES INFORMATION
as at 28 August 2009

1.19. Business Combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

1.20 New Standards and Interpretations Released But Not Yet Adopted

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact (except where stated below) on the Company's accounts/financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s):	Applies to:	Application date:
AASB 123 (revised Jun 2007)	Borrowing Costs	To the extent that borrowing costs are directly attributable to the acquisition, construction or production of a qualifying asset, the option of recognising borrowing costs immediately as an expense has been removed. Consequently all borrowing costs for qualifying assets will have to be capitalised.	Periods commencing on or after 1 January 2009
AASB 3 (reissued March 2008)	Business Combinations	Released as part of long term international convergence project between IASB and FASB. The revised standard introduces more detailed guidance on accounting for step acquisitions, adjustments to contingent consideration, assets acquired that the purchaser does not intend to use, reacquired rights and share-based payments as part of purchase consideration. Also, all acquisition costs will have to be expensed instead of being recognised as part of goodwill.	Business combinations where the acquisition date is on or after the beginning of the first reporting period that commences 1 July 2009 or later
AASB 127 (reissued March 2008)	Consolidated and Separate Financial Statements	The revised standard clarifies that changes in ownership interest which result in control being retained are accounted for within equity as transactions with owners. Losses will be attributed to the non-controlling interest even if this results in a debit balance for the non-controlling interest. Investments retained where there has been a loss of control will be recognised at fair value at date of sale.	Periods commencing on or after 1 July 2009

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

1.20 New Standards and Interpretations Released But Not Yet Adopted (continued)

AASB reference	Title and Affected Standard(s):	Applies to:	Application date:
AASB 2008-3 (issued March 2008)	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB 1, AASB 2, AASB 4, AASB 5, AASB 7, AASB 101, AASB 107, AASB 112, AASB 114, AASB 116, AASB 121, AASB 128, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, Interpretation 9 and Interpretation 107]	Makes consequential amendments to 20 standards and 2 interpretations arising from the reissue of AASB 3 and AASB 127, including to AASB 128: Investments in Associates and AASB 131: Interests in Joint Ventures. When an investment ceases to be an associate or jointly controlled entity and is subsequently accounted for under AASB 139, the fair value of the investment at the date when it ceases to be an associate or jointly controlled entity is its fair value.	Periods commencing on or after 1 July 2009
AASB 2008-5 and AASB 2008-6 (issued July 2008)	Improvements to IFRSs	Accounting changes for presentation, recognition and measurement, as well as terminology and editorial changes.	Periods commencing on or after 1 July 2009
AASB 8 (Issued Feb 2007)	Operating Segments	Replaces the disclosure requirements of AASB 114: *Segment Reporting*. The adoption of this standard will result in changes to the nature and extent of segment reporting for the entity. The full impact has not yet been quantified.	Periods commencing on or after 1 January 2009
AASB 101 (Revised Sep 2007)	Presentation of Financial Statements	Amendments to presentation and naming of the financial statements.	Annual reporting periods commencing on or after 1 January 2009
AASB 2009-2 Improving Disclosures about financial instruments	Financial Instruments	Additional disclosures required about fair values of financial instruments are the company's liquidity risk.	Periods commencing on or after 1 January 2009
AASB 2007-3 (issued Feb 2007)	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Mainly editorial changes	Periods commencing on or after 1 January 2009
AASB 2007-6 (issued Jun 2007)	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Mainly editorial changes.	Periods commencing on or after 1 January 2009
AASB 2007-8 (issued Sep 2007)	Amendments to Australian Accounting Standards arising from AASB 101	Mainly editorial changes.	Periods commencing on or after 1 January 2009
AASB 2007-10 (issued Dec 2007)	Further Amendments to Australian Accounting Standards Arising from AASB 101	Replaces the term 'financial report' with the term used in the corresponding IFRS	Periods commencing on or after 1 January 2009

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

2. PROFIT/(LOSS) FOR THE YEAR

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

	Consolidated Entity	Company	
	2009	**2009**	**2008**
(a) Revenue	$	$	$
Interest received	484,471	398,532	15,768
Dividends	500,286	197,006	420,221
	984,757	595,538	435,989
Other Income			
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets held at fair value through profit or loss	4,511,689	3,007,734	-
Other income	42,173	362	7,388
Total revenue	5,538,619	3,603,634	443,377
(b) Expenses			
Investment expenses			
- Realised (gain)/loss on financial assets held at fair value through profit or loss	3,628,490	3,628,490	(10,421)
- Unrealised loss on financial assets held at fair value through profit or loss	-	-	3,631,830
- Foreign exchange losses	838,540	838,540	11,827
- Withholding tax	22,586	22,586	52,690
- Merger costs	224,836	223,920	
Occupancy expenses	55,855	52,143	19,404
Finance expenses	1,002	818	651
Borrowing cost	1	1	1
Corporate expenses			
- Investment management fees	155,904	155,904	174,873
- Custodian fees	32,330	32,330	45,374
- Reversal of provision for realisation cost in investment portfolio	(55,479)	(55,479)	(13,811)
- Share registry	10,812	7,627	14,273
- ASX fees	20,273	19,105	20,498
- Other corporate expenses	20,458	24,580	(1,827)
Administration expenses			
- Communications	6,286	5,305	7,508
- Consultants	16,204	16,204	4,181
- Accountant	91,229	55,282	41,810
- Audit	27,232	26,235	23,316
- Office administration	38,452	19,226	23,281
- Personnel	104,418	172,284	153,745
- Personnel- employee benefits	21,568	11,590	(760)
- Depreciation	2,082	1,563	2,310
- Travel	13,649	10,169	2,826
- Other administration expenses	85,653	47,302	41,109
	5,362,381	5,315,725	4,244,688

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

3. INCOME TAX EXPENSE

	Consolidated Entity 2009 $	Company 2009 $	Company 2008 $
(a) The major components of income tax expense are:			
Current tax			
Current year	-	-	(1,369)
Deferred tax			
Current year deferred tax expense/(benefit)	901,403	901,403	(901,403)
Total income tax expense/(income) per income statement	901,403	901,403	(902,772)
(b)			
The prima facie income tax on profit/(loss) before income tax is reconciled to the income tax provided in the accounts as follows:			
Profit/(loss) before income tax	**176,238**	**(1,712,091)**	**(3,801,311)**
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	52,872	(513,627)	(1,140,393)
Tax effect of permanent differences			
Non-deductible expenses	8,196	7,806	146,701
Taxable income in excess of accounting income	193,819	-	-
Franking credits & tax offsets	(187,646)	-	-
Utilisation of subsidiary current year tax losses derived prior to merger	(116,464)	-	-
Non recognition of current year revenue losses	1,306,387	1,306,387	992,323
Net deferred tax movements	-	-	(901,403)
Current period unrecognised deferred tax movements	(355,761)	100,837	-
	901,403	901,403	(902,772)
Under/(over) provision in respect to prior years	-	-	-
Income tax expense (benefit)	901,403	901,403	(902,772)
The applicable weighted average effective tax rates are	511%	-53%	24%
(c) Deferred tax assets not brought to account at 30%:			
- Revenue losses	3,277,567	(3,273,368)	-
- Temporary differences	1,708,212	(124,196)	2,813,719
	4,985,779	(3,397,564)	2,813,719

The Deferred Tax Asset not brought to account for the period will only be obtained if:

(i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;

(ii) the Company continues to comply with the conditions for deductibility imposed by tax legislation; and

(iii) the Company is able to meet the continuity of ownership and/or continuity of business tests.

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (Consolidated Entity and Company)

(a) Details of key management personnel

Farooq Khan	*Executive Chairman*	Christopher Ryan	*Non-Executive Director*
William Johnson	*Executive Director (Appointed on 13 March 2009)*	Peter Simpson	*Non-Executive Director*
Simon Cato	*Non-Executive Director*	Victor Ho	*Company Secretary*

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

4. KEY MANAGEMENT PERSONNEL DISCLOSURES (Consolidated Entity and Company) (continued)

	Consolidated Entity	Company	
	2009	**2009**	**2008**
Number of employees (including key management personnel)	6	6	5

(b) Compensation of key management personnel

	Consolidated Entity	Company	
	2009	**2009**	**2008**
Directors	$	$	$
Short-term employee benefits - cash fees	223,722	122,235	102,518
Post-employment benefits - superannuation	14,544	7,192	6,315
	238,266	129,427	108,833
Other key management personnel			
Short-term employee benefits - cash salaries	69,186	40,000	40,750
Post-employment benefits - superannuation	6,227	3,600	3,600
	75,413	43,600	44,350

(b) Options, rights and equity instruments provided as remuneration

There were no options, rights and equity instruments provided as remuneration to key management personnel and no shares issued on the exercise of any such instruments, during the financial year.

(c) Shareholdings of key management personnel (Consolidated Entity and Company)

2009	**Balance at**	**Net**	**Balance at**
Directors	**1 July 2008**	**Changes**	**30 June 2009**
Farooq Khan	11,587,938	8,925,845	20,513,783
William Johnson	-	-	-
Simon Cato	-	-	-
Christopher Ryan	-	-	-
Peter Simpson	1,782,256	6,805,880	8,588,136
Other key management personnel			
Victor Ho	5,945	-	5,945

2008	**Balance at**	**Net**	**Balance at**
Directors	**1 July 2007**	**Changes**	**30 June 2008**
Farooq Khan	5,475,551	144,094	5,619,645
William Johnson	-	-	-
Simon Cato	-	-	-
Christopher Ryan	-	-	-
Peter Simpson	1,734,279	47,977	1,782,256
Other key management personnel			
Victor Ho	5,945	-	5,945

The disclosures of equity holdings above are in accordance with the accounting standards which requires a disclosure of direct and indirect holdings of spouses, relatives, spouses of relatives and entities under the control or significant influence of each of the same.

(d) Option holdings of key management personnel (Consolidated Entity and Company)

The Company does not have any options on issue.

(e) Loans to key management personnel

There were no loans to key management personnel (or their personally related entities) during the financial year.

(f) Other transactions with key management personnel

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

5. GAINS IN CONTROLLED ENTITY

Business combination

The Company issued 31,350,322 new shares to eligible Scarborough Equities Limited (**Scarborough**) shareholders on 13 March 2009 in consideration for the acquisition of Scarborough via a scheme of arrangement merger (**Scheme**). Scarborough has become a wholly owned subsidiary of the Company. The merger involved Scarborough shareholders exchanging their Scarborough shares for shares in Bentley on a NTA for NTA valuation basis. The applicable NTA's were as follows:

• Bentley – $14,740,505, which included $10,654,030 cash and $4,122,438 invested in international securities;

• Scarborough - $11,485,743, which included $11,254,654 invested in the unlisted wholesale FSP Equities Leaders Fund (**FSP Fund**), which is managed by investment manager, FSP Equities Management Limited (**FSP**).

Based upon these NTAs and the Scheme consideration formula:

• Eligible Scarborough shareholders receive 1.588329 new Bentley shares for each Scarborough share held as at the Scheme record date (6 March 2009);

• Bentley issued 31,350,322 shares to acquire all of Scarborough's shares, increasing its total issued share capital to 71,584,465 shares;

Through the combination of these companies, Scarborough and Bentley shareholders became shareholders in a single listed investment company with larger net assets of approximately $26.2 million (with no borrowings) and a larger shareholder base of approximately 2,400 shareholders.

The acquisition had the following effect on the Consolidated Entity's assets and liabilities as at the date of acquisition:

	$
Consideration paid, satisfied in shares	11,485,755
Fair value of net identifiable assets acquired	(11,485,755)
Acquisition interest	-

Assets and liabilities arising from the acquisition are as follows:	**Controlled Entity's Carrying Amount**
	$
Cash and cash equivalents	103,548
Trade and other receivables	200,992
Financial assets held at fair value through profit and loss	11,254,654
Property, plant and equipment	5,808
Current tax asset	96,427
Trade and other payables	(175,674)
	11,485,755

	Consolidated Entity	
Purchase consideration	**2009**	**2008**
Outflow of cash to acquire controlled entity, net of cash acquired:	**$**	**$**
Cash consideration paid	-	-
Less balances acquired		
Cash and cash equivalents	103,548	-
Net Inflow/(Outflow) of cash	103,548	-

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Consolidated Entity	Company	
6. AUDITORS' REMUNERATION	**2009**	**2009**	**2008**
Amounts received or due and receivable by	$	$	$
Auditors (BDO Kendalls (WA) Audit and Assurance Pty Ltd)			
Audit and review of financial reports	19,463	9,860	23,316
Non-audit services (BDO Kendalls (WA) Audit and Assurance Pty Ltd)			
Taxation services	3,245	1,375	1,761
	22,708	11,235	25,077

7. DIVIDENDS

Declared and paid during the year			
Dividends on ordinary shares			
One cent per share fully franked paid on 28 September 2007	-	-	397,283
Franking credit balance		3,972,242	3,972,242
		3,972,242	3,972,242

	Consolidated Entity	Company	
8. LOSS PER SHARE	**2009**	**2009**	**2008**
Basic loss per share (cents)	(1.46)	(5.27)	(7.23)
Loss used to calculate earnings per share ($)	(725,165)	(2,613,494)	(2,898,539)
Weighted average number of ordinary shares during the period used in calculation of basic earnings per share	49,596,294	49,596,294	40,110,801

Diluted earnings per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earning per share.

	Consolidated Entity	Company	
9. CASH AND CASH EQUIVALENTS	**2009**	**2009**	**2008**
	$	$	$
Cash at bank	1,456,758	1,240,526	333,566
Term Deposits	13,193,549	13,193,549	-
	14,650,307	14,434,075	333,566

(a) Reconciliation of Net Profit after Tax to Net Cash Flows from Operations

Net Profit after income tax	(725,165)	(2,613,494)	(2,898,539)
Depreciation and amortisation	2,082	1,563	2,310
Provision of employee benefits	10,331	10,331	-
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets held at fair value through profit or loss	(4,511,689)	(3,007,734)	3,621,409
Realised loss on financial assets held at fair value through profit or loss	3,628,490	3,628,490	-
Foreign exchange loss	838,540	838,540	11,827
(Increase)/decrease in assets:			
Current receivables	(402,978)	16,100	(37,680)
Prepayment	(6,518)	(6,518)	-
Investments	15,297,944	15,297,944	286,700
Increase/(decrease) in liabilities:			
Current payables	92,892	(59,785)	(323,327)
Tax liabilities	901,403	901,403	(901,403)
Net cash flows from/(used in) operating activities	15,125,332	15,006,840	(238,703)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

9. CASH AND CASH EQUIVALENTS (continued)

(b) Disclosure of non-cash financing and investing activities

On 13 March 2009, the Company merged with Scarborough Equities Limited under a scheme of arrangement. The Company issued 31,350,322 new shares to eligible Scarborough shareholders and acquired Scarborough as a wholly-owned subsidiary.

10. TRADE AND OTHER RECEIVABLES

	Consolidated Entity	Company	
Current	**2009**	**2009**	**2008**
Amounts receivable from	$	$	$
deposit	500	-	-
income distributions	416,972	-	-
dividends and interest receivable	23,247	23,247	37,680
	440,719	23,247	37,680

Information about the Consolidated Entity's and the Company's exposure to credit risk, foreign exchange risk and interest rate risk is in Note 21.

Impaired receivables and receivables

None of the receivables are impaired or past due.

	Consolidated Entity	Company	
11. OTHER CURRENT ASSETS	**2009**	**2009**	**2008**
	$	$	$
Prepayments	6,518	6,518	-

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

Current			
Investment Portfolio (international securities)	-	-	15,851,257
Units in unlisted FSP Equities Leaders Fund - at fair value	12,758,609	-	-
	12,758,609	-	15,851,257

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

Net gain/(loss) on financial assets held at fair value through profit or loss	883,199	(620,756)	(3,621,409)

Risk Exposure

Information about the Consolidated Entity's exposure to market and price risk is in Note **21**.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

13. PROPERTY, PLANT AND EQUIPMENT

	Office Furniture	Leasehold Improvement	Computer Equipment	Total
CONSOLIDATED ENTITY				
At 1 July 2008, net of accumulated depreciation	-	331	4,126	4,457
Additions	-	-	349	349
Additions through acquisition of SCB	3,227	315	2,266	5,808
Depreciation expense	(131)	(33)	(1,918)	(2,082)
At 30 June 2009, net of accumulated depreciation	3,096	613	4,823	8,532
At 1 July 2008				
Cost or fair value	-	382	16,108	16,490
Accumulated depreciation	-	(51)	(11,982)	(12,033)
Net carrying amount	-	331	4,126	4,457
At 30 June 2009				
Cost or fair value	3,227	697	18,723	22,647
Accumulated depreciation	(131)	(84)	(13,900)	(14,115)
Net carrying amount	3,096	613	4,823	8,532
COMPANY				
At 1 July 2008, net of accumulated depreciation		331	4,125	4,456
Additions		-	349	349
Depreciation expense		(25)	(1,538)	(1,563)
At 30 June 2009, net of accumulated depreciation		306	2,936	3,242
At 1 July 2008				
Cost or fair value		382	16,108	16,490
Accumulated depreciation		(51)	(11,982)	(12,033)
Net carrying amount		331	4,126	4,457
At 30 June 2009				
Cost or fair value		382	16,457	16,839
Accumulated depreciation		(76)	(13,521)	(13,597)
Net carrying amount		306	2,936	3,242
At 1 July 2007, net of accumulated depreciation		358	5,805	6,163
Additions		-	604	604
Depreciation expense		(27)	(2,283)	(2,310)
At 30 June 2008, net of accumulated depreciation		331	4,126	4,457
At 1 July 2007				
Cost or fair value		382	15,504	15,886
Accumulated depreciation		(24)	(9,699)	(9,723)
Net carrying amount		358	5,805	6,163
At 30 June 2008				
Cost or fair value		382	16,108	16,490
Accumulated depreciation		(51)	(11,982)	(12,033)
Net carrying amount		331	4,126	4,457

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

14. OTHER FINANCIAL ASSETS

	Company	
	2009	2008
Non Current	$	$
Shares in controlled entity - at cost	11,485,743	-

	Ownership interest	
	2009	2008
Scarborough Equities Pty Ltd (formerly Scarborough Equities Limited) (Incorporated in Australia)	100%	-

15. TRADE AND OTHER PAYABLES

	Consolidated Entity	Company	
	2009	2009	2008
	$	$	$
Trade creditors	6,656	6,656	46,928
Amounts payable to subsidiary	-	1,668	-
Other creditors and accruals (a)	103,954	78,755	90,259
	110,610	87,079	137,187

(a) Amounts not expected to be settled within the next 12 months

Other creditors and accruals include accruals for annual leave. The entire obligation is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement. However based on past experience, the Consolidated Entity does not expect all employees to take the full amount of the accrued leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months.

	Consolidated Entity	Company	
	2009	2009	2008
	$	$	$
Annual leave obligation expected to be settled after 12 months	8,622	8,622	613

(b) Risk exposure

Details of the Consolidated Entity's exposure to risks arising from current payables are set out in Note **21**.

16. PROVISIONS

	Consolidated Entity	Company	
	2009	2009	2008
	$	$	$
Employee benefits - long service leave	6,277	6,277	3,956

The non-current provision for long service leave is a provision towards the future entitlements of employees who have completed the required period of long service. The following amounts reflect a provision for leave that is not expected to be taken or paid within the next 12 months.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

17. TAX

	Consolidated Entity 2009 $	Company 2009 $	Company 2008 $
(a) Assets - Non Current			
Deferred tax asset comprises:			
Market Decrement	-	-	912,991
Other	6,975	6,975	-
	6,975	6,975	912,991
(b) Liabilities - Non Current			
Deferred tax liability comprises:			
Fair Value Gain Adjustments	-	-	(11,588)
Other	(6,975)	(6,975)	-
	(6,975)	(6,975)	(11,588)
(c) <u>Reconciliations</u>			
(i) Gross movements			
The overall movement in the deferred tax account is as follows:			
Opening balance	901,403	901,403	-
(Charged)/credited to income statement	(901,403)	(901,403)	901,403
Closing balance	-	-	901,403
(ii) Deferred tax asset:			
The movement in deferred tax asset for each temporary difference during the year is as follows:			
Market Decrement			
Opening balance	912,991	912,991	187,015
Charged to income statement	(912,991)	(912,991)	725,976
Closing balance	-	-	912,991
Other			
Opening balance	-	-	-
Charged to income statement	6,975	6,975	-
Closing balance	6,975	6,975	-
Total	6,975	6,975	912,991
(iii) Deferred tax liability:			
The overall movement in recognised deferred tax liabilities for each temporary difference is as follows:			
Fair Value Gain Adjustments			
Opening balance	(11,588)	(11,588)	(187,015)
Charged to income statement	11,588	11,588	175,427
Closing balance	-	-	(11,588)
Other			
Opening balance	-	-	-
Charged to income statement	(6,975)	(6,975)	-
Closing balance	(6,975)	(6,975)	-
Total	(6,975)	(6,975)	(11,588)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

18. ISSUED CAPITAL

	Consolidated Entity	Company	
	2009	**2009**	**2008**
	$	$	$
71,584,465 (30 June 2008: 40,234,143) fully paid ordinary shares	29,663,934	29,663,934	18,178,191

Movement in Ordinary Share Capital	Date of movement	Number of shares	Company 2009 $	Company 2008 $
At 1 July 2007		39,728,303	17,995,366	17,995,366
Issue under Dividend Reinvestment Plan	28-Sep-07	505,840	182,825	182,825
At 30 June 2008		40,234,143	18,178,191	18,178,191
Issue under scheme of arrangement	13-Mar-09	31,350,322	11,485,743	
As 30 June 2009		71,584,465	29,663,934	

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(a) 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 borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business.

19. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that were entered into with related parties for the financial year.

Company	Note	Amount owed to related parties
Subsidiary of Company		**$**
Scarborough Equities Pty Ltd	15	**(1,668)**

Details of the percentage of ordinary shares held in controlled entity are disclosed in Note **14** to the financial statements. The above amount comprises payments made on behalf of the Company by its subsidiary, which remains outstanding at balance date. Interest is not charged on such outstanding amounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

20. SEGMENT REPORTING

The Consolidated Entity is incorporated in Australia. As at the balance date, the Consolidated Entity's principal activity is the management of its investments. As at the previous balance date, the Company's principal activity was the management of its investments in equity securities listed on overseas stock markets.

Geographical exposures
During the year, the Consolidated Entity's investment portfolio (comprising investments in listed securities, cash assets, accrued interest and dividends, net of unsettled trades) was exposed to different countries . The geographical locations of these exposures are outlined below:

	Segment Revenues		Carrying Amount of Segment Assets		Acquisitions of Investments	
	2009	2008	2009	2008	2009	2008
Country	$	$	$	$	$	$
Australia	2,333,416	15,654	27,871,660	1,216,484	-	-
Europe	571,058	106,860	-	2,915,749	36,560	-
United Kingdom	223,012	64,492	-	1,535,591	867	-
North America	1,845,744	171,106	-	8,889,572	(35,329)	-
Asia	54,250	45,877	-	721,080	23,427	10,070
Japan	511,139	39,388	-	1,861,475	23,877	-
	5,538,619	443,377	27,871,660	17,139,951	49,402	10,070

21. FINANCIAL INSTRUMENTS

Financial Risk Management
The Consolidated Entity's financial instruments mainly consist of deposits with banks, accounts receivable and payable, loans to related parties and investments in listed securities and the unlisted FSP Equities Leaders Fund. The principal activity of the Consolidated Entity is the management of these investments - "financial assets held at fair value" (refer to Note 12). The Consolidated Entity's investments are subject to price (which includes interest rate and market risk), credit and liquidity risks.

The Board of Directors is responsible for the overall internal control framework (which includes risk management) but no cost-effective internal control system will preclude all errors and irregularities. The system is based, in part, on the appointment of suitably qualified management personnel. The effectiveness of the system is continually reviewed by management and at least annually by the Board.

The financial receivables and payables of the Consolidated Entity and Company in the table below are due or payable within 30 days. The financial investments are held for trading and are realised at the discretion of the Board of Directors

<u>Consolidated Entity</u> **30 June 2009**	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total
Financial Assets		$	$	$	$
Cash and cash equivalents	4.20%	1,180,269	13,193,549	276,489	14,650,307
Receivables		-	-	440,719	440,719
Investments		-	-	12,758,609	12,758,609
Total Financial Assets		1,180,269	13,193,549	13,475,817	27,849,635
Financial Liabilities					
Payables		-	-	(110,610)	(110,610)
Total Financial Liabilities		-	-	(110,610)	(110,610)
Net Financial Assets		1,180,269	13,193,549	13,365,207	27,739,025

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. FINANCIAL INSTRUMENTS (continued)

Company	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate	Non-Interest Bearing	Total
30 June 2009					
Financial Assets		$	$	$	$
Cash and cash equivalents	4.20%	1,180,269	13,193,549	60,257	14,434,075
Receivables		-	-	23,247	23,247
Investments		-	-	-	-
Total Financial Assets		1,180,269	13,193,549	83,504	14,457,322
Financial Liabilities					
Payables		-	-	(87,079)	(87,079)
Total Financial Liabilities		-	-	(87,079)	(87,079)
Net Financial Assets		1,180,269	13,193,549	(3,575)	14,370,243
30 June 2008					
Financial Assets					
Cash and cash equivalents	4.50%	167,248	-	166,318	333,566
Receivables		-	-	37,860	37,860
Investments		-	-	15,851,257	15,851,257
Total Financial Assets		167,248	-	16,055,435	16,222,683
Financial Liabilities					
Payables		-	-	(137,187)	(137,187)
Total Financial Liabilities		-	-	(137,187)	(137,187)
Net Financial Assets		167,248	-	15,918,248	16,085,496

(a) Interest Rate Risk Exposure

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The Consolidated Entity has no borrowings.

	Consolidated Entity	Company	
	2009	2009	2008
	$	$	$
Cash at bank	1,456,758	1,240,526	333,566
Term Deposits	13,193,549	13,193,549	-
	14,650,307	14,434,075	333,566

(b) Liquidity Risk Exposure

Liquidity risk is the risk that the Consolidated Entity and the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Consolidated Entity has no borrowings. The Consolidated Entity's non-cash investments can be realised to meet accounts payable arising in the normal course of business. The financial liabilities disclosed in the above table have a maturity obligation of not more than 30 days.

(c) Credit Risk Exposure

Credit risk refers to the risk that a counterparty under a financial instrument will default (in whole or in part) on its contractual obligations resulting in financial loss to the Consolidated Entity and the Company. Concentrations of credit risk are minimised primarily by the investment manager/custodian carrying out all market transactions through recognised and creditworthy brokers and the monitoring of receivable balances. The Consolidated Entity's business activities do not necessitate the requirement for collateral as a means of mitigating the risk of financial loss from defaults.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

21. FINANCIAL INSTRUMENTS (continued)

(c) Credit Risk Exposure (continued)

The Consolidated Entity measures credit risk on a fair value basis. The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the Consolidated Entity's and Company's maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date is summarised below:

	Consolidated Entity	Company	
	2009	**2009**	**2008**
	$	$	$
Cash and cash equivalents	14,650,307	14,434,075	333,566
Receivables	440,719	23,247	37,680
	15,091,026	14,457,322	371,246

All receivables noted above are due within 30 days. None of the above receivables are past due.

(d) Currency Risk Exposure

The Consolidated Entity and Company has financial instruments (term deposits) denominated in US dollar currency which can significantly affect the balance sheet through foreign currency exchange rate movements. The Consolidated Entity's current policy is not to hedge its overseas currency exposure. The Consolidated Entity's exposure to foreign exchange rate movements on its financial instruments is as follows:

	Consolidated Entity	Company	
	2009	**2009**	**2008**
	USD	USD	USD
Term deposits	1,603,870	1,603,870	8,286,600

(e) Market Price Risk Exposure

Market price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments in the market. By its nature as a listed investment Consolidated Entity, the Consolidated Entity will always be subject to market risk as it invests its capital in securities that are not risk free - the market price of these securities can and will fluctuate. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps. Equity securities price risk arises on the financial assets held at fair value through profit or loss. The Consolidated Entity is advised by investment manager, FSP Equities Management Limited, that the unlisted FSP Equities Leaders Fund comprise underlying investments in a diversified portfolio both in terms of number of securities held and exposure to a wide range of industry sectors.

(f) Sensitivity Analysis

The Consolidated Entity has no borrowings, therefore no liability exposure to interest rate risk. The revenue exposure is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

(i) Equity Price risk

The Consolidated Entity has performed a sensitivity analysis on its exposure to equity securities price risk at balance date. The analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The S&P 200 Accumulation Index was utilised as the benchmark for the portfolio which are available for sale assets or at fair value through profit or loss.

	Consolidated Entity	Company	
	2009	**2009**	**2008**
Change in profit	$	$	$
Increase by 1%	627,783	627,783	692,409
Decrease by 1%	(627,783)	(627,783)	(692,409)
Change in equity			
Increase by 1%	627,783	627,783	692,409
Decrease by 1%	(627,783)	(627,783)	(692,409)

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for the year ended 30 June 2009

21. FINANCIAL INSTRUMENTS (continued)

(f) Sensitivity Analysis (continued)

(ii) Currency Risk Analysis

The Company has performed a sensitivity analysis on its exposure to currency risk. The analysis demonstrates the effect on the current year results and equity when the Australian dollar strengthened or weakened by 5% (2008: 5%) against the foreign currencies detailed in Note 21(d) with all the other variables held constant.

	Consolidated Entity	Company	
	2009	**2009**	**2008**
Change in profit	$	$	$
Increase by 5%	(94,931)	(94,931)	(758,260)
Decrease by 5%	94,931	94,931	838,077
Change in equity			
Increase by 5%	(94,931)	(94,931)	(758,260)
Decrease by 5%	94,931	94,931	838,077

22. LEASE COMMITMENTS

Not longer than one year	91,772	91,772	26,002
Between 12 months and 5 years	219,001	219,001	131,109
	310,773	310,773	157,111

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%.

23. CONTINGENT ASSETS AND LIABILITIES

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

24. EVENTS AFTER BALANCE SHEET DATE

(a) On 3 August 2009, the Board reviewed market conditions and determined to rebalance the Bentley investment portfolio from a ~47% Australian equities weighting to a ~90% Australian equities weighting. It has accordingly invested a further $11.5 million with its investment manager, FSP Equities Management Limited (FSP), in the FSP Equities Leaders Fund (FSP Fund). The FSP Fund comprise investments in Australian equities, predominantly in companies within the ASX/S&P 200 Index. As at 30 June 2009, Bentley had a total of $12.8 million (approximately 47% of the Company’s net assets) invested in the FSP Fund. This has now increased by $11.5 million.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

24. EVENTS AFTER BALANCE SHEET DATE (continued)

(b) On 14 August 2009, the Board announced that it would seek shareholder approval for the Company to undertake an off market buy-back of up to 25 million shares at $0.35 per share, at a total cost to the Company of up to approximately $8.75 million (Buy-Back).

The Buy-Back is subject to shareholder approval which will be sought at a general meeting that is anticipated will be held in October 2009 and to ASIC (and ASX if required) granting typical waivers to enable the Buy-Back to be conducted in the proposed manner.

If shareholders approve the Buy-Back, a separate Buy-Back booklet will be sent to all eligible shareholders after the General Meeting, which will set out the full terms and conditions and further details of the Buy-Back as well as a tender form.

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.