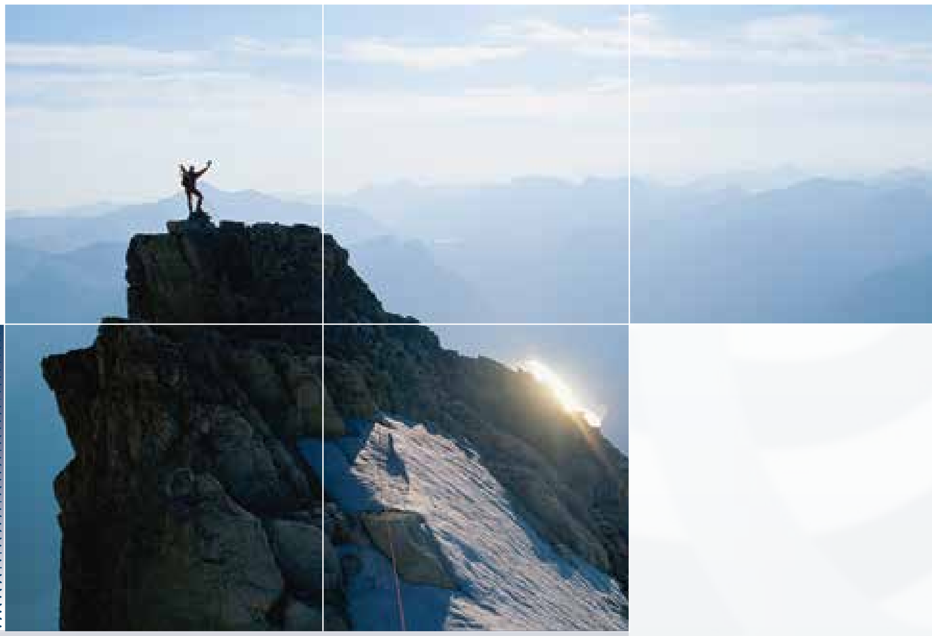
2016



Annual Report

Bentley Capital Limited

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The **2016 Corporate Governance Statement** can be found at the following URL on the Company's website:
http://bel.com.au/corporate-governance

Visit www.bel.com.au for:

- Market Announcements
- Financial Reports
- Corporate Governance
- NTA Backing History
- Distribution History
- Forms
- Email subscription

CORPORATE DIRECTORY

BOARD

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

COMPANY SECRETARY
Victor P.H. Ho

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

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

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

ASX CODE
BEL

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

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

Victoria	Telephone:	(03) 9018 7102
Queensland	Telephone:	(07) 3103 3838

BENTLEY'S DIVIDEND DONATION SCHEME

Bentley is in partnership (since 2009) with the shareholder investment programme of the Children's Hospital Foundations Australia[1], a national fundraising organisation supporting Australia's five major children's hospital foundations. Through a single gateway, Children's Hospital Foundations Australia has unique access to a national network of children's hospitals providing 1.6 million treatments for children each year.

Bentley encourages all shareholders to consider the Dividend Donation Programme, particularly those receiving smaller dividend cheques where the amount of the dividend can be less than the transaction and processing costs incurred by the Company with respect to payment of such dividend.

A copy of a Dividend Donation Election Form may be obtained from the Company or downloaded from the Company's website: http://bel.com.au/dividend-donation-scheme-%E2%80%93-investing-hope

BENTLEY'S SHARE DONATION SCHEME

ShareGift Australia is an endorsed charity[2] that provides a transparent and tax-deductible way for shareholders to convert their shareholdings into significant donations for Australian charities.

This may be particularly attractive to shareholders who hold small parcels of shares that may cost more to sell than the shares themselves are worth.

ShareGift Australia uses the proceeds from the sale of donated shares to distribute to Australian charities (with Deductible Gift Recipient (**DGR**) Item 1 status) guided by the recommendations received from individual donors and supporting companies.

Donating shareholders will not need to pay brokerage costs and will receive a letter from ShareGift Australia with details of the share sale as a receipt for taxation purposes. Donations over $2 are tax deductible to the shareholder.

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

How It Works

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

Shareholders complete a Share Sale Donation Form, which authorises the sale of their shares and the proceeds to be directed to ShareGift Australia. Up to the first $10.00 from each donation stays with ShareGift Australia to support this service.

A copy of a Share Sale Donation Form may be obtained from the Company or downloaded from the Company's website: http://bel.com.au/share-donation-scheme-%E2%80%93-share-gift-australia

(2) **Recommend a charity**

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

(3) **Shares are sold**

ShareGift Australia arranges for the shares to be sold via their supporting stockbrokers who do not charge brokerage fees. A Sale Confirmation letter is sent to the donor for tax purposes, once the shares are sold. Donations over $2 are tax deductible.

(4) **Share sale proceeds are donated to charity**

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

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

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1 Children's Hospital Foundations Australia (www.childrenshospitals.org.au) is administered by the Sydney Children's Hospital Foundation Limited ABN 72 003 073 185, an endorsed Health Promotion Charity and a DGR (since 23 October 2010).

2 ShareGift Australia ABN 27 086 590 485 is a public ancillary fund; its Trustee is an endorsed charity and a DGR (since 1 July 2006).

COMPANY PROFILE

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

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

Bentley's Investment Mandate is outlined on page 59 of this Annual Report.

As at 30 June 2016, Bentley had net tangible assets (**NTA**) of $15.689 million (at $0.208 cents post-tax NTA backing per share), 75,414,727 fully paid ordinary shares on issue, and 1,785 shareholders on its share register.

NET ASSET WEIGHTINGS

Net Assets	30 June 2016 $'m	%	30 June 2015 $'m	%
Australian equities[1]	14.50	89.0	15.63	95.2
Intangible assets[2]	0.60	3.7	0.64	3.9
Provision for income tax	-	-	-	-
Net cash on deposit/other assets/provisions	1.19	7.3	0.16	0.9
Total Net Assets	**16.29**	**100**	**16.43**	**100**
NTA Backing per share	$0.2080		$0.2111	
Adjusted NTA Backing per share (with the dividends paid during the 2015/2016 year added back)	$0.2180		N/A	

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

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

SUMMARY OF MAJOR HOLDINGS

Security	ASX Code	Industry Sector	30 June 2016 $'m	%	30 June 2015 $'m	%
CBG Australian Equities Fund	-	Diversified	4.82	29.6	5.22	32.0
Keybridge Capital Limited	KBC	Diversified	4.31	26.5	-	-
Strike Resources Limited[3]	SRK	Metals & Mining	2.79	17.1	-	-
BHP Billiton Limited	BHP	Materials	0.56	3.4	-	-
Woodside Petroleum Limited	WPL	Energy	0.53	3.3	-	-
National Australia Bank Limited	NAB	Banks	0.51	3.1	-	-
Other listed securities	Various	Various	0.98	6.0	10.42	63.9

(3) Accounted for as an Associate entity

RECENT DISTRIBUTION HISTORY[4]

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

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

DIVIDEND POLICY

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

OVERVIEW OF PERFORMANCE

BENTLEY CONSOLIDATED ENTITY	June 2016 $'000	June 2015 $'000
Net gain on initial recognition of financial asset as Associate entity	-	1,910
Net gain on sale of financial asset held for sale	-	271
Net gain on financial assets held at fair value through profit or loss	2,998	-
Dividends	32	139
Interest	150	58
Other investment-related revenue	78	20
Total revenue	**3,258**	**2,398**
Net loss on financial assets held at fair value through profit or loss	-	(936)
Share of loss in Associate entity	(100)	(115)
Software development expenses	(1,138)	(712)
Salaries, fees and employee benefits	(700)	(328)
Investment expenses	(84)	(65)
Corporate expenses	(66)	(64)
Administration and other expenses	(644)	(445)
Total expenses	**(2,732)**	**(2,665)**
Profit/(Loss) before tax	**526**	**(267)**
Income tax benefit/(expense)	-	-
Profit/(Loss) after tax attributable to members	**526**	**(267)**
Basic and diluted earnings/(loss) per share (cents)	0.70	(0.36)
Pre-tax NTA backing per share (cents)	20.80	21.11
Post-tax NTA backing per share (cents)	20.80	21.11
Pre and Post-Tax NTA backing per share (cents) (with dividends paid during the 2015/16 year added back)	21.80	N/A

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

With respect to its share investment and trading activities, Bentley generated a net gain of $2.998 million (pre and post-tax) during the year.

Please refer to the Directors' Report (at pages 6 to 24 of this Annual Report) and financial statements and notes (at pages 26 to 55) for further information on a review of Bentley's operations and the financial position and performance of Bentley for the year ended 30 June 2016.

THE BOARD'S REPORT

Investment Update Subsequent to Year End

Subsequent to 30 June 2016 year end and to 13 October 2016, Bentley has:

- Realised $2.098 million from the sale of investments; and
- Invested a further $1.174 million in listed securities.

30 September 2016 NTA Backing

Bentley's NTA backing as at 30 September 2016 was $0.195 per share (pre and post-tax) (with the 0.50 cent dividend paid in September 2016 added back) (30 June 2016: $0.208).[1]

As at 30 September 2016, Bentley's $14.7 million net assets comprised:

Net Assets:	30 September 2016 $'m	% Net Assets
Investment in KBC	4.28	29.12 %
CBG Fund	3.99	27.13 %
Investment in SRK	2.64	17.99 %
Other ASX-listed securities	2.12	14.43 %
Cash	1.24	8.44 %
Intangible Assets	0.28	1.90 %
Net other assets/(liabilities)	0.15	0.99 %
Net Assets	**14.70**	**100%**

Please also refer to the List of Share Investments section of this Annual Report (at page 60) for a list of Bentley's investment holdings as at 30 September 2016 and 30 June 2016.

Distribution Track Record Continues

Bentley paid a fully franked dividend of 0.50 cent per share on 29 September 2016 and issued 358,298 shares under the Dividend Reinvestment Plan at an issue price of 13.99 cents per share.

Dividend Policy

Bentley's objective is to provide a regular and stable distribution to shareholders after the announcement of its half year and full year operating results. These results are normally announced at the end of February and August each year and Bentley will endeavour to announce its proposed distribution at this time.

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

2016 Annual General Meeting (AGM)

Bentley's 2016 AGM will be held at 11:00 am (Perth time) on Friday, 18 November 2016 at Bentley's offices in Perth – Level 2, 23 Ventnor Avenue, West Perth, Western Australia.

Three resolutions are proposed, being:

(1) The re-election of Mr Farooq Khan as Director (who retires by rotation at the AGM);

(2) The appointment of Rothsay Auditing as Bentley's Auditor; and

(3) The adoption of the 2016 Remuneration Report (located at pages 17 to 22 of this Annual Report).

17 October 2016

1 Refer Bentley's ASX announcement dated 14 October 2016: NTA Backing as at 30 September 2016

DIRECTORS' STATUTORY REPORT

The Directors present their Directors' Report on Bentley Capital Limited ABN 87 008 108 218 (**BEL** or **Company**) and its controlled entities (**Bentley** or the **Consolidated Entity**) for the financial year ended 30 June 2016 (**Balance Date**).

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

PRINCIPAL ACTIVITIES

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

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

Within its broader investment mandate[1], Bentley has a focus on several key investment sectors which the Board believes offer the opportunity to collectively generate overall returns for shareholders materially in excess of the ASX All Ordinaries Index[2]:

(1) Strategic investments in listed companies with either an active or passive participation;

(2) Corporate financing;

(3) Promotion of IPOs; and

(4) Participation in, and funding of, corporate restructurings.

NET TANGIBLE ASSET BACKING

CONSOLIDATED	June 2016 $'000	June 2015 $'000
Net assets	16,288	16,426
Less: Intangible assets	(604)	(639)
Net tangible assets	15,683	15,787
Pre-tax NTA backing per share (cents)	**20.80**	**21.11**
Less: Net deferred tax asset/liabilities /tax provision	-	-
Net tangible assets	15,683	15,787
Post-tax NTA backing per share (cents)	**20.80**	**21.11**
Value of dividends paid to shareholders in previous 12 months	**749**	**1,111**
Adjusted Pre and post-tax NTA backing per share (cents) (with dividends paid during the 2015/2016 year added back)	**21.80**	N/A
Based on total issued shares	75,414,727	74,800,211

During the financial year, Bentley paid two fully franked dividends of 0.50 cent each per share to shareholders on 18 March 2016[3] and 25 September 2015[4] respectively at a total cost of $0.749 million (2015: two fully franked dividends of 0.50 cent each paid in September 2014 and in March 2015).

Bentley's 31 July 2016 pre and post-tax NTA backing was $0.20 per share (unaudited).[5]

1 Refer Bentley's ASX announcement dated 15 January 2009: Notice of Meeting and released on ASX on 23 January 2009

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

3 Refer Bentley's ASX announcement dated 24 February 2016: Declaration of Dividend

4 Refer Bentley's ASX announcement dated 1 September 2015: Declaration of Dividend

5 Refer Bentley's ASX announcement dated 12 August 2016: NTA Backing as at 31 July 2016

DIRECTORS' STATUTORY REPORT

OPERATING RESULTS

CONSOLIDATED	June 2016 $'000	June 2015 $'000
Net gain on initial recognition of financial asset as Associate entity	-	1,910
Net gain on sale of financial asset held for sale	-	271
Net gain on financial assets held at fair value through profit or loss	2,998	-
Dividends	32	139
Interest	150	58
Other income	78	20
Total revenue	**3,258**	**2,398**
Net loss on financial assets held at fair value through profit or loss	-	(936)
Share of loss in Associate entity	(100)	(115)
Software development expenses	(1,138)	(712)
Salaries, fees and employee benefits	(700)	(328)
Investment expenses	(84)	(65)
Corporate expenses	(66)	(64)
Administration and other expenses	(644)	(445)
Total expenses	(2,732)	**(2,665)**
Profit/(Loss) before income tax expense	**526**	**(267)**
Income tax expense	-	-
Profit/(Loss) after income tax expense	**526**	**(267)**

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

With respect to its share investment and trading activities Bentley generated a net gain of $2.998 million.

EARNINGS/(LOSS) PER SHARE

CONSOLIDATED	June 2016	June 2015
Earnings/(Loss) per share (cents)	0.70	(0.36)

DIRECTORS' STATUTORY REPORT

FINANCIAL POSITION

CONSOLIDATED	June 2016 $'000	June 2015 $'000
Investments	11,712	6,136
Investment in Associate entity	2,790	9,496
Cash and cash equivalents	1,345	136
Net deferred tax asset/liabilities	-	-
Intangible assets	604	639
Other assets	129	682
Liabilities	(292)	(663)
Net assets	**16,288**	**16,426**
Issued capital	19,379	19,294
Profits reserve	3,520	677
Accumulated losses	(6,611)	(3,545)
Total equity	**16,288**	**16,426**

The Company's Profits Reserve is available to fund dividend payments, declared from time to time. The Company also has a $1.81 million Franking Credit balance (as at 30 June 2016), which is sufficient to support the payment of up to $4.22 million in fully franked dividends.

DIVIDENDS

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

Dividend Rate	Record Date	Expected Payment Date	Franking
0.50 cent per share	22 September 2016	29 September 2016	100% franked

The Company's Dividend Reinvestment Plan (**DRP**) will apply to this dividend. The Directors have determined that the DRP issue price will be at a 2.5% discount to the Company's volume weighted average price on ASX in the 5 day period up to and including the dividend record date. The Company will lodge a market announcement advising the final DRP issue price after the record date.

A copy of the Company's DRP Rules and DRP Application Form be obtained from the Company or downloaded from the Company's website: http://bel.com.au/forms

The Company paid two fully franked dividends during the financial year at a total cost of $0.749 million as follows (2015: two fully franked dividends of 0.50 cent each paid in September 2014 and in March 2015):

Dividend Rate	Record Date	Payment Date	DRP Issue Price (cents)	DRP Shares Issued
0.5 cent per share	11 March 2016	18 March 2016	13.22	336,290
0.5 cent per share	11 September 2015	25 September 2015	14.53	278,226

Dividend Policy

It is the objective of the Company to provide a regular and stable distribution to shareholders after the announcement of its half year and full year operating results. These results are normally announced at the end of February and August each year and the Company will endeavour to announce its proposed distribution at this time.

DIRECTORS' STATUTORY REPORT

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

CAPITAL MANAGEMENT

Securities on Issue

The Company has 75,414,727 (2015: 74,800,211) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

The Company issued 614,516 new shares during the financial year as a consequence of shareholders' participation under the Company's DRP, at an average price of $0.1381 per share (2015: 904,140 shares at $0.1422 each).

REVIEW OF OPERATIONS

Net Asset Weightings

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

Net Assets	30 June 2016 $'m	%	30 June 2015 $'m	%
Australian equities[1]	14.50	89.0	15.63	95.2
Intangible assets[2]	0.60	3.7	0.64	3.9
Provision for income tax	-	-	-	-
Net cash on deposit/other assets/provisions	1.19	7.3	0.16	0.9
Total Net Assets	**16.29**	**100%**	**16.43**	**100%**
NTA Backing per share	$0.2080		$0.2111	
Adjusted NTA Backing per share (with the dividends paid during the 2015/2016 year added back)	$0.2180		N/A	

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

Major Holdings

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

Security	ASX Code	Industry Sector	30 June 2016 $'m	%	30 June 2015 $'m	%
CBG Australian Equities Fund	-	Diversified	4.82	29.6	5.22	32.0
Keybridge Capital Limited	KBC	Diversified	4.31	26.5	-	-
Strike Resources Limited[2]	SRK	Metals & Mining	2.79	17.1	-	-
BHP Billiton Limited	BHP	Materials	0.56	3.4	-	-
Woodside Petroleum Limited	WPL	Energy	0.53	3.3	-	-
National Australia Bank Limited	NAB	Banks	0.51	3.1	-	-
Other listed securities	Various	Various	0.98	6.0	10.42	63.9

3. Accounted for as an Associate entity

Subsequent to the balance date (and to 26 August 2016), Bentley has:

(a) realised gross proceeds of $0.831 million from the sale of listed securities; and

(b) invested $0.750 million in listed securities.

DIRECTORS' STATUTORY REPORT

Investment in Keybridge Capital Limited (ASX: KBC)

As at 30 June 2016, Bentley held 27,800,000 shares in KBC, being 16.97% of KBC's total issued share capital (being the second largest shareholder in KBC), which were acquired on-market at a cost of $5 million in May 2016.[6]

Subsequently, Bentley has acquired a further 3,900,000 shares on-market at a cost of $0.701 million, taking its overall interest in KBC to 31,700,000 shares (or 19.96%).[7]

KBC is "an investment and financial services group with a diversified portfolio of listed and unlisted investments in solar, private equity, life insurance, property and funds management assets amongst others"[8], including strategic holdings in HHY Fund (ASX:HHY), Molopo Energy Limited (ASX:MPO), PTB Group Limited (ASX:PTB), Metgasco Limited (ASX: MEL), Copper Strike Limited (ASX:CSE) and NAOS Absolute Opportunities Company Limited (ASX:NAC).

Further information about KBC's investments are contained in their ASX releases, as follows[9]:

- 31 August 2016: Appendix 4E - Preliminary Unaudited Financial Report for the Year Ended 30 June 2016
- 20 June 2016: Monthly Net Asset Value (NAV) Per Share – May 2016 Unaudited;
- 4 March 2016: 31 December 2015 Half Year Results; and
- 4 March 2016: 31 December 2015 Half Year Accounts.

At an extraordinary general meeting (**EGM**) held on 29 July 2016, KBC shareholders overwhelmingly approved the election of Bentley Directors, Simon Cato and William Johnson, as Directors and the removal of KBC Chairman, Andrew Moffat, as a Director, of KBC.[10] The KBC Board convened this EGM[11] to pre-empt Bentley's notice of intent to itself call a meeting of KBC shareholders pursuant to a requisition under section 249F of the Corporations Act.[12]

Bentley's reasons for proposing the KBC Board changes (as above) was outlined in its ASX announcement of 26 July 2016: Update on Keybridge EGM to Remove Andrew Moffat and Appoint Bentley Nominees to Board. The key reasons for Bentley seeking to convene a meeting were based upon concerns relating to the management and corporate governance of KBC and the accountability and suitability of Andrew Moffat as a Director and Chairman of KBC.

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

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

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6 Refer Bentley's ASX announcement dated 20 May 2016: Becoming a Substantial Holder for KBC

7 Refer Bentley's ASX announcement dated 8 July 2016: Change of Substantial Shareholder Notice in KBC

8 Refer KBC's ASX announcement dated 4 March 2016: 31 December 2015 Half Year Accounts

9 Bentley notes that KBC has disposed of its Aurora funds management business – refer KBC ASX Announcements dated 27 June 2016: Sale of Aurora Funds Management and 1 July 2016: Sale of Aurora Funds Management

10 Refer KBC's ASX announcement dated 29 July 2016: Results of General Meeting and Board Changed

11 Refer KBC's ASX announcement dated 7 June 2016: Notice of General Meeting and Proxy Form

12 Refer KBC's ASX announcement dated 30 May 2016: Letters from Scarborough Equities Pty Ltd

DIRECTORS' STATUTORY REPORT

$3.67 Million Profit on Realisation of Investment in Molopo Energy Limited (ASX : MPO)

On 26 August 2015, Bentley sold its shareholding in MPO on-market at a price of 26.5 cents per share for a total consideration of $13.167 million. Bentley realised a net gain of $3.67 million in respect of the financial year and a net gain of $3.56 million from historical cost. This represents a 37% (gross) return on the investment (from cost).[13]

MPO has significant cash reserves of $67.7 million (as at 30 June 2016) and has announced that it has been assessing opportunities in the oil and gas sector.[14]

Successful Completion of Takeover Bid for Strike Resources Limited (ASX : SRK)

On 2 September 2015, Bentley successfully closed its off-market 5.5 cent per share cash takeover bid [15] for SRK with acceptances received totalling 52,553,493 SRK shares (representing a 36.16% relevant interest in Strike) for a bid consideration of $2.89 million.

The Strike Board comprises a majority of Bentley Executives - Bentley Chairman, Farooq Khan, was appointed a Strike Director with effect on 2 October 2015 [16] and Chairman of the Strike Board on 18 December 2015[17]; Bentley Director, William Johnson, is Managing Director of Strike and Bentley Company Secretary, Victor Ho, is a Director and Company Secretary of Strike.

Strike owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and retains cash reserves of ~$7 million (as at 30 June 2016). Strike has announced that it has examined a range of new strategies for the company in light of the on-going poor outlook for the iron ore sector – for further information, refer to Strike's 2016 Full Year Report[18]:

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

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

Investment in the CBG Australian Equities Fund (Wholesale) (CBG Fund)[19]

As at 30 June 2016, Bentley had $4.82 million (29.62% of its net assets) invested in the CBG Australian Equities Fund (Wholesale) (**CBG Fund**) (2015: 31.53% and $5.216 million).

The 12-month performance of the CBG Fund to 30 June 2016 was +2.0% (2015: +4.5%) compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of +0.6% (2015: +5.7%).

In July 2016, Bentley received $0.03 million (2015: $0.116 million) income distributions from the CBG Fund in respect of the financial year ended 30 June 2016. The 30 June 2016 carrying value above is "ex" entitlement to this income distribution.

Bentley's investment in the CBG Fund has generated a $0.073 million realised gain and $0.293 million unrealised loss for the financial year (2015: $0.092 million unrealised loss and $0.236 million realised gain). The investment's unrealised gain (from historical cost) is $0.03 million (2015: $1.168 million unrealised gain).

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13 Refer Bentley's ASX announcement dated 26 August 2015: Sale of Shares in Molopo Energy

14 Refer MPO's ASX announcements dated 29 July 2016: June 2016 Quarterly Activities and Cashflow Report and dated 31 March 2016: 2015 Annual Report

15 Refer Bentley's ASX announcement dated 31 July 2015: Despatch of Bidders Statement to Holders of Strike Resources Limited

16 Refer Strike's ASX announcement dated 2 October 2015: Board and Corporate Changes

17 Refer Strike's ASX announcement dated 18 December 2015: Change of Chairman

18 Refer Strike's 2016 Full Year Report released on ASX on 31 August 2016

19 Based on information provided by investment manager, CBG Asset Management Limited

DIRECTORS' STATUTORY REPORT

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

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

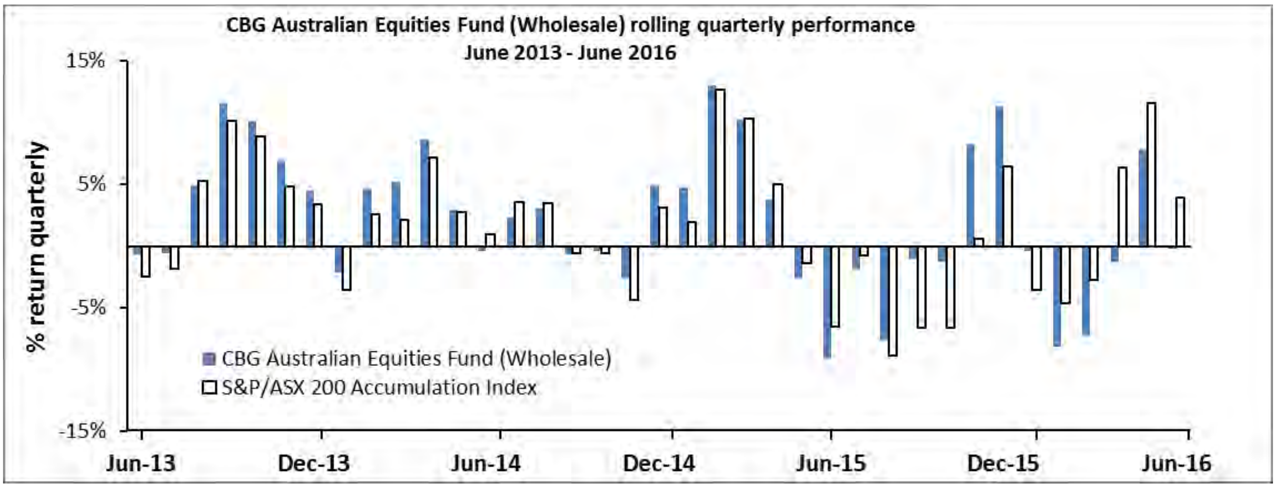
CBG Fund details (as at 30 June 2016) provided by Investment Manager, CBG Asset Management, are as follows:

- The equity weighting was 93.65% (2015: 92.86%);
- 85.7% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (2015: 85.11%) with the balance of 14.3% invested in companies outside of the S&P/ASX 200 Index (2015: 14.89%); and
- The equity portfolio contained 45 holdings (2015: 47 holdings).

CBG Fund Returns To: 30 June 2016	**1 mth %**	**3mths %**	**6mths %**	**1yr %**	**2yrs % p.a.**	**3yrs % p.a.**	**Since Inception % p.a.**
CBG Fund	-4.2%	-0.2%	-7.4%	2.0%	3.2%	9.2%	9.3%
ASX/S&P 200 Accumulation Index	-2.5%	3.9%	1.1%	0.6%	3.1%	7.7%	7.8%

The monthly performance of the CBG Fund for July 2016 was 6.8% compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of 6.3%.

CBG Fund Returns To: 31 July 2016	**1 mth %**	**3mths %**	**6mths %**	**1yr %**	**2yrs % p.a.**	**3yrs % p.a.**	**Since Inception % p.a.**
CBG Fund	6.8%	6.6%	5.2%	3.4%	4.8%	9.6%	9.7%
ASX/S&P 200 Accumulation Index	6.3%	6.9%	13.7%	2.4%	4.0%	8.0%	8.2%



Source: CBG Asset Management Limited (Investment Manager)

Notes:

(a) 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.

(b) The information in the table is historical and the past performance of the CBG Fund is not a reliable predictor of the future performance of such fund; CBG Asset Management have not made any representation to the Company that it will achieve any specific future rate of return on the fund.

DIRECTORS' STATUTORY REPORT

CBG Fund Top 20 Holdings ASX Code	 Asset Name	Fund Weight 30-Jun-16
CBA	COMMONWEALTH BANK OF AUSTRALIA	10.8%
WBC	WESTPAC BANKING CORPORATION	7.9%
TCL	TRANSURBAN GROUP LIMITED	5.9%
MQA	MACQUARIE ATLAS ROADS GROUP	5.4%
ANZ	ANZ BANKING GROUP LIMITED	4.7%
HGG	HENDERSON GROUP LIMITED	3.9%
MFG	MAGELLAN FINANCIAL GROUP	3.8%
SYD	SYDNEY AIRPORT LIMITED	3.7%
AIA	AUCKLAND INTERNATIONAL AIRPORT LTD	3.5%
NAB	NATIONAL AUSTRALIA BANK LIMITED	3.5%
DUE	DUET GROUP	3.1%
APA	APA GROUP LIMITED	3.0%
LLC	LENDLEASE GROUP	2.9%
ACX	ACONEX LIMITED	2.5%
EGH	EUREKA GROUP HOLDINGS LIMITED	2.4%
IFL	IOOF HOLDINGS LIMITED	2.1%
REA	REA GROUP LIMITED	2.0%
AHG	AUTOMOTIVE HOLDINGS GROUP	2.0%
TNE	TECHNOLOGY ONE LIMITED	1.6%
RMD	RESMED INC LIMITED	1.5%

CBG Fund Sector Weights	Fund Weight 30-Jun-16
Financials (ex-Real Estate)	40.4%
Industrials	22.8%
Consumer Discretionary	7.7%
Utilities	6.1%
Information Technology	5.8%
Real Estate	5.3%
Health Care	3.2%
Telecommunication Services	1.0%
Materials	0.7%
Consumer Staples	0.6%

Software, Internet and Applications Development

Bentley has a technology operation involved in software, Internet and applications development, which provides exposure to the Internet and social media applications as a potentially valuable investment and/or income generating opportunity. Bentley is currently reviewing its activities in this sector and examining ways in which to monetise/securitise the value of its investment.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

FUTURE DEVELOPMENTS

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

ENVIRONMENTAL REGULATION

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

DIRECTORS' STATUTORY REPORT

DIRECTORS

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

FAROOQ KHAN	Chairman
Appointed	Director since 2 December 2003; Chairman since 10 February 2004
Qualifications	BJuris, LLB (*Western Australia*)
Experience	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.
Relevant interest in shares	None[20]
Special Responsibilities	Chairman of the Board and Investment Committee
Other current directorships in listed entities	(1) Executive Chairman and Managing Director of Queste Communications Ltd (ASX:QUE) (since 10 March 1998) (2) Executive Chairman of Orion Equities Limited (ASX:OEQ) (since 23 October 2006) (3) Chairman (appointed 18 December 2015) of Strike Resources Limited (ASX:SRK) (Director since 1 October 2015)[21]
Former directorships in other listed entities in past 3 years	Nil

WILLIAM M. JOHNSON	Executive Director
Appointed	Director since 13 March 2009; Executive Director since 1 January 2016
Qualifications	MA (*Oxon*), MBA
Experience	Mr. Johnson holds a Masters degree in engineering science from Oxford University, England and an MBA from Victoria University, New Zealand. His 30 year business career spans multiple industries and countries, with executive/CEO experience in oil and gas exploration (North Africa and Australia), mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman and Indonesia), telecommunications infrastructure investment (New Zealand, India, Thailand and Malaysia) and information technology and Internet ventures (New Zealand, Philippines and Australia). Mr Johnson is a highly experienced public company director and has considerable depth of experience in business strategy, investment analysis, finance and execution.
Relevant interest in shares	None
Special Responsibilities	Member of the Investment, Audit and Remuneration Committees.
Other current directorships in listed entities	(1) Managing Director of Strike Resources Limited (ASX:SRK) (since 25 March 2013; Director since 14 July 2006) (2) Director of Keybridge Capital Limited (ASX: KBC) (since 29 July 2016)
Former directorships in other listed entities in past 3 years	(1) Alara Resources Limited (ASX:AUQ) (26 October 2009 to 31 October 2013) (2) Cuervo Resources Inc. (CNQ:FE) (March 2013 – December 2013)

20 Refer Bentley's ASX announcements dated 20 November 2014: Change of Director's Interest Notice and dated 21 November 2014: Notice of Ceasing to be a substantial holder

21 Refer Strike's ASX announcement dated 18 December 2015: Change of Chairman

DIRECTORS' STATUTORY REPORT

SIMON K. CATO	**Non-Executive Director**
Appointed	7 January 2015
Qualifications	B.A. (*Sydney*)
Experience	Mr Cato has had over 30 years capital markets experience in broking, regulatory roles and as a director of listed companies. He was initially employed by the ASX in Sydney and then in Perth. From 1991 until 2006 he was an executive director and/or responsible executive of three stockbroking firms and in those roles he has been involved in many aspects of broking including management issues such as credit control and reporting to regulatory bodies in the securities industry. As a broker he was also involved in the underwriting of a number of IPO's and has been through the process of IPO listing in the dual role of broker and director. Currently he holds a number of non-executive roles with other listed companies in Australia.
Relevant interest in shares	None
Special Responsibilities	Chairman of the Audit and Remuneration Committees
Other current directorships in listed entities	(1) Non-Executive Chairman of Advanced Share Registry Limited (ASX:ASW) (since 22 August 2007) (2) Non-Executive Director of Greenland Minerals and Energy Limited (ASX:GGG) (since 21 February 2006) (3) Non-Executive Director of Keybridge Capital Limited (ASX: KBC) (since 29 July 2016)
Former directorships in other listed entities in past 3 years	Transaction Solutions International Limited (ASX:TSN) (26 February 2010 to 30 August 2013)

At the Company's 2015 AGM[22]:

- Simon Cato retired as a Director (having been appointed by the Board since the last AGM) pursuant to the Company's Constitution and was re-elected a Director at that AGM; and
- William Johnson retired as a Director (by rotation) pursuant to the Company's Constitution and was re-elected a Director at that AGM.

22 Refer Bentley's ASX announcement dated 30 November 2015: Results of 2015 Annual General Meeting

DIRECTORS' STATUTORY REPORT

COMPANY SECRETARY

VICTOR P. H. HO	Company Secretary
Appointed	5 February 2004
Qualifications	BCom, LLB (*Western Australia*), CTA
Experience	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 16+ years. Mr Ho is a Chartered Tax Adviser (CTA) and previously had 9 years' experience in the taxation profession with the Australian Tax Office (ATO) and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.
Special Responsibilities	Member of the Investment Committee and Secretary of the Audit and Remuneration Committees
Relevant interest in shares	50,000 ordinary shares (held indirectly)
Other positions held in listed entities	Executive Director and Company Secretary of: (1) Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003) (2) Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013) (3) Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Company Secretary since 1 October 2015)
Former position in other listed entities in past 3 years	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

DIRECTORS' MEETINGS

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

	Board Meetings		Audit Committee		Remuneration Committee	
Name of Director	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings
Farooq Khan	9	9	-	-	-	-
William Johnson	9	9	2	2	1	1
Simon Cato	9	9	2	2	1	1

Audit Committee

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

Remuneration Committee

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

REMUNERATION REPORT

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

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

(1) Remuneration Policy

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

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

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

A copy of the Remuneration Committee Charter may also be downloaded from the Company's website: http://bel.com.au/corporate-governance

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

Fixed Cash Short-term Employment Benefits: The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of $110,000[23] per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

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

Executive Directors

(1) Mr Farooq Khan (Executive Chairman) – a base salary of $175,000 per annum plus employer superannuation contributions; and

(2) Mr William Johnson – a base salary of $37,000 (effective from 1 January 2016; previously $24,000) per annum plus employer superannuation contributions.

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

REMUNERATION REPORT

Non-Executive Director

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

Company Executive/Senior Manager

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

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

(a) Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and

(b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

Short-Term Benefits: The Company Secretary has the opportunity to earn performance-related cash bonuses as agreed with the Company from time to time pursuant to the terms of his employment agreement. However, there were no bonus schemes set for the Company Secretary in respect of the past 2015/16 financial year or the 2016/17 financial year. Members of the Company's Investment Committee are entitled to participate under the Company's Performance Bonus Scheme (**PBS**) – further details are disclosed below. The Company does not otherwise have any short-term incentive (**STI**) cash bonus schemes (or equivalent) in place for Key Management Personnel.

Long-Term Benefits: Other than early termination benefits disclosed in 'Employment Agreement' below, Key Management Personnel have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (other than Non-Executive Directors).

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

Post-Employment Benefits: The Company does not presently provide retirement benefits to Key Management Personnel. The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

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

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

REMUNERATION REPORT

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

	2016	2015	2014	2013	2012
Profit/(Loss) Before Income Tax	$526,080	($267,300)	$792,910	($336,712)	($2,025,345)
Basic Earnings/(Loss) per share (cents)	0.70	(0.36)	1.08	(0.46)	(2.77)
Dividends Paid (total)	$749,389	$1,111,395	$733,505	-	$2,468,351
Dividends Paid (per share)	$0.01	$0.015	$0.01	-	$0.034
Capital Returns Paid (total)	-	-	$733,505	$1,467,012	$4,406,350
Capital Returns Paid (per share)	-	-	$0.01	$0.02	$0.06
VWAP Share Price on ASX for financial year	$0.139	$0.132	$0.144	$0.156	$0.183
Closing Bid Share Price on ASX at 30 June	$0.135	$0.13	$0.145	$0.145	$0.15

(2) Performance Bonus Scheme (PBS)

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

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

(a) The performance of Bentley will be measured each financial half year (ending on 31 December and 30 June) by comparing the change over the half year in the net-asset value of Bentley with the change in the net assets of Bentley that would have resulted if the investment return was equal to that recorded by the ASX All Ordinaries Index (ASX code: XAO) (**Benchmark Index**).

(b) 20% of any outperformance relative to the Benchmark Index is available for distribution to the Investment Committee each half year (**Performance Bonus Pool**).

(c) Any underperformance in a half year will be carried forward up to the next three half years, such that underperformance in a half year must be 'clawed back' by outperformance before a performance bonus can be paid in the following three half years.

(d) The net assets of Bentley are valued in accordance with Bentley's accounting policies and Australian Accounting Standards save for the following exclusions: any provisions or liabilities in respect of a Performance Bonus Pool, deferred tax assets and deferred tax liabilities or a provision for income tax expense.

(e) The terms of the PBS are to be reviewed annually by the Board.

(f) The Performance Bonus Pool is distributed to members of the Investment Committee pursuant to a resolution of the Board.

(g) If Bentley has incurred a net loss for the financial half year, the Board may in exceptional circumstances at its absolute discretion withhold up to 50% of the Performance Bonus Pool applicable to that financial half year.

There were no entitlements arising from the PBS for the half year ended 30 June 2016.

In respect of the half year ended 31 December 2015, Bentley outperformed the Benchmark Index by $3,135,436, which translated to a $364,400 Performance Bonus Pool that was paid to eligible members of the Investment Committee in March 2016[24] (as detailed in Section (3) below).

24 Refer also details on page 13 of Bentley's ASX announcement dated 24 February 2016: December 2015 Half Year Report

REMUNERATION REPORT

(3) Details of Remuneration of Key Management Personnel

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

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

2015		Short-term Benefits		Post- Employment Benefits	Other Long-term Benefits	Equity-Based	
Key Management Personnel	Performance-related %	Cash salary and fees $	Non-cash benefit $	Superannuation $	Long service leave $	Shares & options $	Total $
Executive Director:							
Farooq Khan	-	164,904[(c)]	-	15,666	-	-	180,570
Non-Executive Directors:							
William Johnson	-	24,000	-	2,280	-	-	26,280
Simon Cato[(d)]	-	8,548	-	4,097	-	-	12,645
Christopher Ryan[(e)]	-	66,000[(f)]	-	-	-	-	66,000
Company Secretary:							
Victor Ho	-	85,000	-	8,075	-	-	93,075

Notes:

(a) Net of an adjustment of $1,346 (gross) in respect of unpaid annual leave taken during the 2016 year.

(b) Mr Johnson transitioned from Non-Executive Director to Executive Director with effect on 1 January 2016.

(c) Net of an adjustment of $10,096 (gross) in respect of unpaid annual leave taken during the 2015 year.

(d) Mr Cato was appointed a Director on 7 January 2015.[25]

(e) Mr Ryan resigned as a Director on 6 January 2015.[26]

(f) Mr Ryan's Director's fees have been paid to Westchester Financial Services Pty Limited (trading as Westchester Corporate Finance), a corporate advisory company in which Mr Ryan is principal, and is reported inclusive of GST. The amount for 2015 is also inclusive of $52,800 fees (2014: inclusive of $13,200 fees) for the performance of extra services/the making of special exertions for the benefit of the Company.

25 Refer Bentley's ASX announcement dated 8 January 2015: Board Changes

REMUNERATION REPORT

(4) Employment Agreements

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

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Terms
Victor Ho (Company Secretary)	8 May 2015 (date of employment agreement) 5 February 2004 (commencement date, being the date of appointment as Company Secretary) 1 May 2010 (date of effect of remuneration)	$85,000 plus employer superannuation contributions (currently 9.5% of base salary) plus provision of office car parking	• The agreement has no fixed term or fixed rolling terms of service. • Commitment to a minimum prescribed hours per week over the course of a 5 day working week plus reasonable additional time required by the Company. • Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter. • 3 months' notice of termination by the Company and one month's notice of termination by employee. Immediate termination without notice if employee commits any serious act of misconduct. • Not prohibited from also concurrently performing the role of director or company secretary of any other company or companies, to the extent that that it does not interfere with the proper performance of duties under the agreement. • Entitlement to performance related cash bonuses as agreed with the Company from time to time – as at the date of this report, no bonus scheme has been established (save for the Performance Bonus Scheme)

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

(5) Other Benefits Provided to Key Management Personnel

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

(6) Engagement of Remuneration Consultants

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

REMUNERATION REPORT

(7) Shares held by Key Management Personnel

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

Key Management Personnel	Balance at 30 June 2015	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2016
Executive Directors:					
Farooq Khan	-	-	-	-	-
William Johnson	-	-	-	-	-
Non-Executive Director:					
Simon Cato	-	-	-	-	-
Company Secretary:					
Victor Ho	50,000	-	-	-	50,000

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

(8) Voting and Comments on the Remuneration Report at the 2015 AGM

At the Company's most recent (2015) AGM, a resolution to adopt the prior year (2015) Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (88%) support in favour of adopting the Remuneration Report.[26] No comments were made on the Remuneration Report at the AGM.

This concludes the audited Remuneration Report.

26 Refer Bentley's ASX announcement dated 30 November 2015: Results of 2015 Annual General Meeting

DIRECTORS' STATUTORY REPORT

DIRECTORS' AND OFFICERS' INSURANCE

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

DIRECTORS' AND OFFICERS' DEEDS

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

(a) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and

(b) Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

LEGAL PROCEEDINGS ON BEHALF OF COMPANY

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

AUDITORS

Bentley has changed its Auditors from BDO to Rothsay Auditing (a firm of Chartered Accountants with offices in Perth and Sydney), with effect on 12 February 2016.[27] The transition of Auditors occurred as part of a review of the Company's corporate administration costs – Rothsay was selected after considering proposals received from BDO and a number of other audit firms. Rothsay will hold office as Auditor until the next annual general meeting of the Company, at which time shareholder approval will be sought for their re-appointment and continuation as Auditor.

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

Auditor	Audit & Review Fees $	Non-Audit Services $	Total $
Rothsay Auditing	22,000	-	22,000
BDO Audit (WA) Pty Ltd	-	-	-

27 Refer Bentley's ASX announcement dated 12 February 2016: Change of Auditors.

DIRECTORS' STATUTORY REPORT

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

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

AUDITOR'S INDEPENDENCE DECLARATION

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

EVENTS SUBSEQUENT TO BALANCE DATE

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

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

Farooq Khan
Chairman

Simon Cato
Non-Executive Director

31 August 2016

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

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

Dear Sirs

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

i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2016 financial statements; and

ii) no contraventions of any applicable code of professional conduct in relation to the review.

GR Swan

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 31 August 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	2016	2015
REVENUE		**$**	**$**
Investment	**2**		
Dividend revenue		31,893	138,627
Interest revenue		149,834	58,179
Other			
Net gain on initial recognition of financial asset as Associate entity		-	1,909,695
Net gain on sale of financial asset held for sale		-	270,857
Net gain on financial assets at fair value through profit or loss		2,998,568	-
Other income		78,202	20,727
TOTAL REVENUE AND INCOME		**3,258,497**	**2,398,085**
EXPENSES	**3**		
Net loss on financial assets at fair value through profit or loss		-	(935,542)
Share of loss in Associate entity		(100,204)	(115,484)
Provision for doubtful debt - convertible note		(132,782)	-
Software development expenses		(1,137,732)	(711,994)
Investment expenses		(84,363)	(64,788)
Occupancy expenses		(33,918)	(60,275)
Corporate expenses		(65,942)	(64,253)
Finance expenses		(8,641)	(2,735)
Administration expenses		(1,168,835)	(710,314)
PROFIT/(LOSS) BEFORE INCOME TAX		**526,080**	**(267,300)**
Income tax expense	**5**	-	-
PROFIT/(LOSS) FOR THE YEAR		**526,080**	**(267,300)**
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, Net of Tax		-	-
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**526,080**	**(267,300)**
EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted earnings/(loss) per share (cents)	**6**	0.70	(0.36)

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Note	2016	2015
		$	$
CURRENT ASSETS			
Cash and cash equivalents	**7**	1,344,723	135,674
Financial assets at fair value through profit or loss	**8**	11,712,339	6,136,351
Receivables	**11**	98,568	149,973
Other current assets		3,650	15,216
TOTAL CURRENT ASSETS		**13,159,280**	**6,437,214**
NON-CURRENT ASSETS			
Receivables	**11**	10,113	138,169
Investment in Associate entity	**21**	2,790,238	9,495,747
Intangible assets	**12**	604,479	639,468
Property, plant and equipment		15,336	19,933
Deferred tax asset	**5**	9,835	358,969
TOTAL NON-CURRENT ASSETS		**3,430,001**	**10,652,286**
TOTAL ASSETS		**16,589,281**	**17,089,500**
CURRENT LIABILITIES			
Payables	**13**	124,039	144,577
Provisions	**14**	167,686	159,817
TOTAL CURRENT LIABILITIES		**291,725**	**304,394**
NON-CURRENT LIABILITIES			
Deferred tax liability	**5**	9,835	358,969
TOTAL NON-CURRENT LIABILITIES		**9,835**	**358,969**
TOTAL LIABILITIES		**301,560**	**663,363**
NET ASSETS		**16,287,721**	**16,426,137**
EQUITY			
Issued capital	**15**	19,378,595	19,293,706
Profits reserve	**16**	3,520,118	677,596
Accumulated losses		(6,610,992)	(3,545,165)
TOTAL EQUITY		**16,287,721**	**16,426,137**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2016

	Note	Issued capital	Profits reserve	Accumulated losses	Total
		$	$	$	$
BALANCE AT 1 JULY 2014		**19,165,182**	**656,053**	**(2,144,927)**	**17,676,308**
Profit for the year		-	-	(267,300)	(267,300)
Profits reserve transfer		-	430,925	(430,925)	-
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		**-**	**430,925**	**(698,225)**	**(267,300)**
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	**17**	128,524	-	-	128,524
Dividends paid	**17**	-	(409,382)	(702,013)	(1,111,395)
BALANCE AT 30 JUNE 2015		**19,293,706**	**677,596**	**(3,545,165)**	**16,426,137**
BALANCE AT 1 JULY 2015		**19,293,706**	**677,596**	**(3,545,165)**	**16,426,137**
Profit for the year		-	-	526,080	526,080
Profits reserve transfer		-	3,591,907	(3,591,907)	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		**-**	**3,591,907**	**(3,065,827)**	**526,080**
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	**17**	84,889	-	-	84,889
Dividends paid	**17**	-	(749,385)	-	(749,385)
BALANCE AT 30 JUNE 2016		**19,378,595**	**3,520,118**	**(6,610,992)**	**16,287,721**

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	Note	2016	2015
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends received		115,014	49,577
Interest received		125,152	37,877
Other income received		101,170	263,439
Payments to suppliers and employees		(2,360,917)	(1,519,308)
Sale/Redemption of financial assets at fair value through profit or loss		4,481,952	7,546,389
Purchase of financial assets at fair value through profit or loss		(10,730,769)	(5,348,456)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**7(a)**	**(8,268,398)**	**1,029,518**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of Associate entity		13,167,143	-
Investment in Associate entity		(2,890,442)	-
Payments for intangible assets		(139,830)	(325,776)
Purchase of plant and equipment		(2,703)	(10,404)
NET CASH USED IN INVESTING ACTIVITIES		**10,134,168**	**(336,180)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(655,530)	(970,736)
Return of capital		(1,191)	(3,519)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**(656,721)**	**(974,255)**
NET DECREASE IN CASH HELD		**1,209,049**	**(280,917)**
Cash and cash equivalents at beginning of financial year		135,674	416,591
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**7**	**1,344,723**	**135,674**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

1. ABOUT THIS FINANCIAL REPORT

1.1 Background

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

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

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

Information is considered material and relevant if, for example:

(a) the amount in question is significant because of its size or nature;

(b) it is important for understanding the results of the Consolidated Entity;

(c) it helps to explain the impact of significant changes in the Consolidated Entity's business; or

(d) it relates to an aspect of the Consolidated Entity's operations that may be important to its future performance.

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

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

Notes
- 2 Revenue
- 3 Expenses
- 4 Segment information
- 5 Income tax
- 6 Earnings/(loss) per share

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

Notes
- 7 Cash and cash equivalents
- 8 Financial assets at fair value through profit or loss
- 9 Financial risk management
- 10 Fair value measurement of financial instruments

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

Notes
- 11 Receivables
- 12 Intangible assets
- 13 Payables
- 14 Provisions

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

Notes
- 15 Issued capital
- 16 Profits reserve
- 17 Dividends
- 18 Capital risk management

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

Notes
- 19 Parent entity information
- 20 Investment in controlled entities
- 21 Investment in associate entity
- 22 Related party transactions

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

Notes
- 23 Auditors' remuneration
- 24 Commitments
- 25 Contingencies
- 26 Events occurring after the reporting period

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

1.2 Basis of Preparation

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

Compliance with International Financial Reporting Standards (IFRS)

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

Reporting Basis and Financial Statement Presentation

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

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

1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2016 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Bentley or the Consolidated Entity.

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

1.4 Comparative Figures

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

1.5 Goods and Services Tax (GST)

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

1.6 Impairment of Assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

1.7. Summary of Accounting Standards Issued But Not Yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have no material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date
AASB 9	Financial Instruments	**Classification and measurement** AASB 9 amendments the classification and measurement of financial assets: • Financial assets will either be measured at amortised cost, fair value through other comprehensive income (**FVTOCI**) or fair value through profit or loss (**FVTPL**). • Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. • All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income. **Impairment** The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model. A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses. A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months. For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.	Annual reporting periods beginning on or after 1 January 2018
AASB 2015-1	Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	Non-urgent but necessary changes to standards	Annual periods beginning on or after 1 January 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

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

AASB Reference	Title and Affected Standard(s)	Nature of Change	Application Date
AASB 2014-9	Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements	Currently, investments in subsidiaries, associates and joint ventures are accounted for in separate financial statements at cost or at fair value under AASB 139/AASB 9. These amendments provide an additional option to account for these investments using the equity method as described in AASB 128 *Investments in Associates and Joint Ventures*.	Annual periods beginning on or after 1 January 2016
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 C*onsolidated Financial Statements* and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: • A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not; and • A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Annual periods beginning on or after 1 January 2018
IFRS 15	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 *Revenue.*	Annual reporting periods beginning on or after 1 January 2018
AASB 16	Leases	The key features of AASB 16 are as follows: **Lessee accounting** • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. AASB 16 also contains disclosure requirements for lessees.	Annual reporting periods beginning on or after 1 January 2019

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

2. REVENUE

	2016	2015
The consolidated profit/(loss) before income tax includes the following items of revenue:	**$**	**$**
Investment		
Dividend revenue	31,893	138,627
Interest revenue	149,834	58,179
	181,727	196,806
Other		
Net gain on initial recognition of financial asset as Associate entity	-	1,909,695
Net gain on sale of financial asset held for sale	-	270,857
Net gain on financial assets at fair value through profit or loss	2,998,568	-
Other income	78,202	20,727
	3,258,497	**2,398,085**

Accounting policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Consolidated Entity and the revenue can be reliably measured. All revenue is stated net of the amount of Goods and Services Tax (**GST**) except where the amount of GST incurred is not recoverable from the Australian Tax Office. The following specific recognition criteria must also be met before revenue is recognised:

(a) **Sale of financial assets, goods and other assets**

Revenue from the sale of financial assets, goods or other assets is recognised when the Consolidated Entity has passed control of the financial assets, goods or other assets to the buyer

(b) **Interest revenue**

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

(c) **Dividend revenue**

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

(d) **Other revenues**

Other revenues are recognised on a receipts basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

3. EXPENSES

	2016	2015
The consolidated profit/(loss) before income tax includes the following items of expenses:	$	$
Net loss on financial assets at fair value through profit or loss	-	935,542
Share of loss in Associate entity	100,204	115,484
Provision for doubtful debt - convertible note	132,782	-
Software development expenses		
Amortisation of software development assets	141,788	38,720
Write-off of software development costs	33,030	126,277
Other software development expenses	962,914	546,997
Investment expenses		
Management fees	7,226	37,645
Brokers' fees	63,242	14,115
Subscriptions	13,345	13,028
Other investment expenses	550	-
Occupancy expenses	33,918	60,275
Corporate expenses		
ASX fees	36,057	33,957
Share registry	26,455	24,621
Other corporate expenses	3,430	5,675
Finance expenses	8,641	2,735
Administration expenses		
Salaries, fees and employee benefits	335,896	328,175
Performance Bonus Scheme payment	364,400	-
Accounting, taxation and related administration	142,712	138,351
Office administration	75,159	67,880
Audit	22,085	48,591
Legal fees	149,597	43,275
Travel, accommodation and incidentals	10,484	47,492
Insurance	15,940	14,973
Depreciation	6,491	5,400
Other administration expenses	46,071	16,177
	2,732,417	**2,665,385**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

4. SEGMENT INFORMATION

30 Jun 2016	Investments	Software Development	Corporate	Total
Segment revenues	$	$	$	$
Revenue	181,727	-	-	181,727
Other	2,998,568	52,512	25,690	3,076,770
Total segment revenues	**3,180,295**	**52,512**	**25,690**	**3,258,497**
Software development expenses	-	1,104,685	33,030	1,137,715
Investment expenses	84,363	-	-	84,363
Administration expenses	-	-	1,399,567	1,399,567
Other expenses	-	4,495	106,277	110,772
Total segment profit/(loss)	**3,095,932**	**(1,056,668)**	**(1,513,184)**	**526,080**
Segment assets				
Cash and cash equivalents	771,473	-	573,250	1,344,723
Financial assets	11,712,339	-	-	11,712,339
Investment in Associate	2,790,238	-	-	2,790,238
Intangible assets	-	604,479	-	604,479
Other assets	-	9,582	127,920	137,502
Total segment assets	**15,274,050**	**614,061**	**701,170**	**16,589,281**

30 Jun 2015	Investments	Software Development	Corporate	Total
Segment revenues				
Revenue	214,659	-	-	214,659
Other	2,180,552	2,654	220	2,183,426
Total segment revenues	**2,395,211**	**2,654**	**220**	**2,398,085**
Software development expenses	-	711,995	-	711,995
Investment expenses	1,115,815	-	-	1,115,815
Administration expenses	-	-	704,913	704,913
Other expenses	-	2,908	129,754	132,662
Total segment profit/(loss)	**1,279,396**	**(712,249)**	**(834,447)**	**(267,300)**
Segment assets				
Cash and cash equivalents	125,688	-	9,986	135,674
Financial assets	6,136,351	-	-	6,136,351
Intangible assets	9,495,747	-	-	9,495,747
Financial asset held for sale	-	639,468	-	639,468
Other assets	247,559	12,747	421,954	682,260
Total segment assets	**16,005,345**	**652,215**	**431,940**	**17,089,500**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

4. SEGMENT INFORMATION (continued)

Accounting Policy

The operating segments are reported in a manner consistent with the internal reporting provided to the "Chief Operating Decision Maker" (**CODM)**. The Consolidated Entity's CODM is the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

The Board has considered the business and geographical perspectives of the operating results and determined that the Consolidated Entity operates only within Australia, with the main segments being Investments and Software Development.

Description of segments

(a) Investments comprise of equity investments of companies listed on the Australian Securities Exchange (**ASX** and liquid financial assets;

(b) Software Development is in relation to the software, Internet and applications development division;

(c) Corporate items are mainly comprised of corporate assets, office expenses and income tax assets and liabilities.

Liabilities

Liabilities are not reported to the CODM by segment. All liabilities are assessed at a Consolidated Entity level.

5. INCOME TAX

		2016	2015
(a)	**The components of tax expense comprise:**	**$**	**$**
	Current tax	-	-
	Deferred tax	-	-
		-	-
(b)	**The prima facie tax on operating profit/(loss) before income tax is reconciled to the income tax as follows:**		
	Prima facie tax payable on operating profit/(loss) before income tax at 30% (2015: 30%)	**157,824**	**(80,190)**
	Adjust tax effect of:		
	Non-deductible expenses	46,259	17,329
	Taxable income in excess of accounting income	10,288	(26,842)
	Franking credits	20,932	3,985
	Prior year tax losses brought to account	(235,303)	85,718
	Income tax attributable to entity	**-**	**-**
(c)	**Deferred taxes**		
	Deferred tax assets		
	Employee benefits & accruals	12,628	12,600
	Financial assets	121,799	-
	Tax losses	(124,592)	346,369
		9,835	**358,969**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

5. INCOME TAX (continued)

(c) Deferred taxes (continued)	**2016**	**2015**
Deferred tax liabilities	**$**	**$**
Financial assets	-	350,518
Other	9,835	8,451
	9,835	**358,969**

(i) Movements - deferred tax assets	**Employee benefits**	**Financial assets**	**Tax losses**	**Total**
	$	**$**	**$**	**$**
At 1 July 2014	**10,046**	-	**369,402**	**379,448**
Credited/(charged) to the profit and loss	2,554	-	(23,033)	(20,479)
At 30 June 2015	**12,600**	**-**	**346,369**	**358,969**
At 1 July 2015	**12,600**	-	**346,369**	**358,969**
Credited/(charged) to the profit and loss	28	121,799	(470,961)	(349,134)
At 30 June 2016	**12,628**	**121,799**	**(124,592)**	**9,835**

(ii) Movements - deferred tax liabilities	**Financial assets**	**Other**	**Total**
	$	**$**	**$**
At 1 July 2014	**378,133**	**1,315**	**379,448**
Credited/(charged) to the profit and loss	(27,615)	7,136	(20,479)
At 30 June 2015	**350,518**	**8,451**	**358,969**
At 1 July 2015	**350,518**	**8,451**	**358,969**
Credited/(charged) to the profit and loss	(350,518)	1,384	(349,134)
At 30 June 2016	**-**	**9,835**	**9,835**

	2016	**2015**
(iii) Unrecognised deferred tax balances	**$**	**$**
Unrecognised deferred tax asset - revenue losses	2,201,212	4,689,757
Unrecognised deferred tax asset - capital losses	727,220	645,231
	2,928,432	**5,334,988**

Critical accounting judgement and estimate

The Consolidated Entity is subject to income taxes (and other similar taxes) in Australia. Judgement is required in determining the Consolidated Entity's provision for income taxes.

Deferred tax assets have not been recognised as, in the Directors' opinion, it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits. The utilisation of revenue and capital tax losses are subject to compliance with taxation legislation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

5. INCOME TAX (continued)

Accounting policy

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 Consolidated Entity 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Consolidated Entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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.

6. EARNINGS/(LOSS) PER SHARE	**2016**	**2015**
	cents	**cents**
Basic and diluted earnings/(loss) per share	0.70	(0.36)
The following represents the profit/(loss) and weighted average number of shares used in the EPS calculations:	**2016**	**2015**
	$	**$**
Net profit/(loss) after income tax	526,080	(267,300)
	Shares	**Shares**
Weighted average number of ordinary shares	75,109,538	74,408,714

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

6. EARNINGS/(LOSS) PER SHARE (continued)

Accounting policy

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

7. CASH AND CASH EQUIVALENTS	**2016**	**2015**
	$	**$**
Cash at bank and in hand	**1,344,723**	**135,674**

Accounting policy

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 Statement of Financial Position.

(a) Reconciliation of operating profit/(loss) after income tax to net cash provided by operating activities	**2016**	**2015**
	$	**$**
Profit/(Loss) after income tax	**526,080**	**(267,300)**
Add non-cash items:		
Depreciation	6,491	5,400
Write-off of plant and equipment	809	386
Share of loss in Associate entity	100,204	115,484
Amortisation of software development assets	141,788	38,720
Write-off of software development costs	33,030	126,277
Provision for convertible notes	132,782	-
Net unrealised loss/(gain) on financial assets at fair value through profit or loss	935,535	(188,676)
Changes in assets and liabilities:		
Financial assets at fair value through profit or loss	(6,511,523)	1,141,600
Investment in Associate entity	(3,671,396)	-
Receivables	46,680	(19,672)
Other current assets	11,567	(11,566)
Payables	(20,538)	80,352
Provisions	93	8,513
	(8,268,398)	**1,029,518**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016	2015
Current	**$**	**$**
Listed investments at fair value	6,891,808	920,646
Units in unlisted CBG Australian Equities Fund (Wholesale)	4,820,531	5,215,705
	11,712,339	**6,136,351**

Accounting policy

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, financial assets at fair value through profit and loss 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) will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

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 which is the current bid price. The fair value of the unlisted units in the CBG Australian Equities Fund (Wholesale), is determined from unit price information provided by investment manager, CBG Asset Management Limited. The Consolidated Entity's investment portfolio is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value.

9. FINANCIAL RISK MANAGEMENT

The Consolidated Entity's financial instruments consist of deposits with banks, receivables and payables, investments in listed securities and investments in the unlisted CBG Australian Equities Fund (Wholesale) (**CBG**
The principal activity of the Consolidated Entity is the management of its investments (Financial Assets at Fair Value through Profit and Loss) (refer to Note 8). The Consolidated Entity's investments are subject to market (which includes price and interest rate risk), credit and liquidity risks.

The Board 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 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 Investment Committee.

The Consolidated Entity holds the following financial assets and liabilities:		2016	2015
	Note	**$**	**$**
Cash and cash equivalents	**7**	1,344,723	135,674
Financial assets at fair value through profit or loss	**8**	11,712,339	6,136,351
Receivables	**11**	98,568	278,142
		13,155,630	**6,550,167**
Payables	**13**	(124,039)	(144,577)
Net financial assets		**13,031,591**	**6,405,590**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

9. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk

Market risk is the risk that the fair value and/or future cash flows from a financial instrument will fluctuate as a result of changes in market factors. Market risk comprises of price risk from fluctuations in the fair value of equities and interest rate risk from fluctuations in market interest rates.

(i) ***Price risk***

The Consolidated Entity is exposed to equity securities price risk. This arises from investments held by the Consolidated Entity and classified in the Statement of Financial Position at fair value through profit or loss. The Consolidated Entity is exposed to commodity price risk in respect of its investments indirectly via market risk and equity securities price risk.

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, its issuer or factors affecting all instruments in the market. By its nature as an investment company, the Consolidated Entity will always be subject to market risk as it invests its capital in securities that are not risk free. This is reflected in the market price of these securities which can and will fluctuate. The Consolidated Entity does not manage this risk through entering into derivative contracts, futures, options or swaps.

Equity price risk is minimised through ensuring that investment activities are undertaken in accordance with Board established mandate limits and investment strategies.

The Consolidated Entity is advised by investment manager, CBG Asset Management Limited. The CBG Australian Equities Fund (Wholesale) comprises underlying investments in a diversified portfolio both in terms of number of securities held and exposure to a wide range of industry sectors.

The Consolidated Entity has performed a sensitivity analysis on its exposure to equity securities price risk for listed and unlisted financial assets at fair value through profit or loss. The analysis demonstrates the effect on the current year results and equity which could result from a change in these risks. The All Ordinaries Accumulation Index was utilised as the benchmark for the investment portfolio.

	Impact on post-tax profit		Impact on equity	
	2016	2015	2016	2015
	$	$	$	$
Increase 5%	585,617	306,818	585,617	306,818
Decrease 5%	(585,617)	(306,818)	(585,617)	(306,818)

(ii) ***Interest rate risk***

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 weighted average interest rate of the cash at bank for the year for the table below is 2.62% (2015: 1.85%)

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates based on observation of current market conditions. The calculations are based on a change in the average market interest rate and the financial instruments that are sensitive to changes in interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

9. FINANCIAL RISK MANAGEMENT (continued)

(ii) *Interest rate risk (continued)*	**Impact on post-tax profit**		**Impact on equity**	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Increase 1%	13,447	2,638	13,447	2,638
Decrease 1%	(13,447)	(2,638)	(13,447)	(2,638)

(b) Liquidity risk

Liquidity risk is the risk that the Consolidated Entity 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 payables 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

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. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions. Concentrations of credit risk are minimised primarily by the investment manager 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.

The credit quality of the financial assets are neither past due nor impaired and can be assessed by reference to external credit ratings (if available with S&P Global Ratings) or to historical information about counterparty default rates. The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised below:

	2016	**2015**
Cash and cash equivalents	**$**	**$**
AA-	1,342,544	109,075
A	-	26,349
	1,342,544	**135,424**
Receivables (due within 30 days)		
No external credit rating available	**98,568**	**149,973**

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The following tables present the Consolidated Entity's financial assets and liabilities measured and recognised at fair value at 30 June 2016 categorised by the following levels:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

	Level 1	Level 2	Level 3	Total
30 Jun 2016				
Financial assets at fair value through profit or loss:	$	$	$	$
Listed investments at fair value	6,891,808	-	-	6,891,808
Units in unlisted CBG Australian Equities Fund (Wholesale)	-	4,820,531	-	4,820,531
	6,891,808	**4,820,531**	**-**	**11,712,339**
30 Jun 2015				
Financial assets at fair value through profit or loss:				
Listed investments at fair value	920,646	-	-	920,646
Units in unlisted CBG Australian Equities Fund (Wholesale)	-	5,215,705	-	5,215,705
	920,646	**5,215,705**	**-**	**6,136,351**

There have been no transfers between the levels of the fair value hierarchy during the financial year.

Accounting policy

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 Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity for similar financial instruments.

The Consolidated Entity's investment portfolio (comprising listed and unlisted 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 the reporting date (refer to Note 8).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

10. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

(a) Valuation techniques

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques such as the use of quoted market prices or dealer quotes for similar instruments. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

The fair value of the unlisted units in the CBG Australian Equities Fund (Wholesale), is determined from unit price information provided by investment manager, CBG Asset Management Limited and as such this financial instrument is included in Level 2.

(b) Level 3 fair value measurements

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. Investments in unlisted shares are considered Level 3 investments as their fair value is unable to be derived from market data. The Directors assess the fair value of these investments based on information obtained from the companies directly.

Unobservable inputs such as earnings growth in respect of unlisted securities are estimated based on market information for similar type of companies. At balance date the investment in unlisted shares has been fully impaired.

(c) Fair values of other financial instruments

Fair values of other financial instruments	Note	2016	2015
Financial assets		**$**	**$**
Cash and cash equivalents	**7**	1,344,723	135,674
Receivables	**11**	98,568	278,142
		1,443,291	**413,816**
Financial liabilities			
Payables	**13**	**(124,039)**	**(144,577)**

Due to their short-term nature, the carrying amounts of cash, current receivables and current payables is assumed to approximate their fair value.

11. RECEIVABLES

	2016	2015
Current	**$**	**$**
Deposits and bonds	63,750	19,333
Income distributions receivable	30,334	119,390
Other receivables	4,484	11,250
	98,568	**149,973**
Non current		
Convertible note	100,000	100,000
Interest receivable	32,782	28,169
Provision for convertible note	(132,782)	-
	-	128,169
Deposits and bonds	10,113	10,000
	10,113	**138,169**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

11. RECEIVABLES (continued)

Critical accounting judgement and estimate

The convertible note issued by (Minera Gold Limited (ASX:MIZ)) matured on 30 September 2014. MIZ has been suspended from the ASX since 21 August 2015 and on 25 August 2015, the MIZ Board appointed Voluntary Administrators. An accrued interest receivable has been recognised based on the note's coupon rate of 18% per annum to maturity plus an interest rate of 23.25% per annum applicable from maturity to the date MIZ was put placed into administration (from 1 October 2014 to 25 August 2015). The Directors have fully provided for the convertible note.

Accounting policy

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.

Financial instruments such as loans and receivables are initially measured at cost. These 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.

Risk exposure

The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 9.

12. INTANGIBLE ASSETS	**2016**	**2015**
	$	**$**
Opening balance	639,468	478,689
Software development costs	139,829	325,776
Write-off of software development costs	(33,030)	(126,277)
Amortisation of software development assets	(141,788)	(38,720)
Closing balance	**604,479**	**639,468**

Critical accounting judgement and estimate

Indefinite life of intangible assets

The Consolidated Entity tests annually or more frequently, if events or changes in circumstances indicate impairment and whether the indefinite life of intangible assets has suffered any impairment, in accordance with Note 1.6.

Accounting policy

Expenditure during the research phase of a software development project is recognised as an expense when incurred. Development costs are capitalised only when:
(i) the technical feasibility and commercial viability of the project is demonstrated;
(ii) the Consolidated Entity has an intention and ability to complete the project and use or sell it; and
(iii) the costs can be measured reliably.

Such costs include payments to external contractors to develop the software, any purchase of materials and equipment and personnel costs of employees directly involved in the project.

Capitalised software development expenditure is stated at cost less accumulated amortisation and impairment losses. Amortisation is based on a straight-line method over periods generally ranging from 1 to 4 years matched to the future economic benefits over the useful life of the project. The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. No amortisation has taken place on projects that have not been completed as at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

13. PAYABLES

	2016	2015
	$	$
Trade payables	24,814	20,533
Other payables and accrued expenses	99,225	124,044
	124,039	**144,577**

Accounting policy

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

Risk exposure

The Consolidated Entity's exposure to risks arising from current payables is set out in Note 9.

14. PROVISIONS

	2016	2015
	$	$
Return of capital - refer (b)	94,266	95,457
Provision for dividends - refer (c)	31,328	22,361
Employee benefits - annual leave - refer (d)	25,662	15,298
Employee benefits - long service leave - refer (d)	16,430	26,701
	167,686	**159,817**

Accounting policy

Short-term obligations

Provision is made for the Consolidated Entity's liability for employee benefits arising from services rendered by employees to the 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 from the Balance Date 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 Consolidated Entity in accordance with statutory obligations and are charged as an expense when incurred.

Other long-term employee benefit obligations

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 Balance Date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

(a) Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out as follows:

	Return of capital	Dividends	Total
	$	$	$
Opening balance	95,457	22,361	117,818
Charged/(Credited) to equity	-	749,385	749,385
Amounts paid/shares issued during the year	(1,191)	(740,418)	(741,609)
Closing balance	**94,266**	**31,328**	**125,594**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

14. PROVISIONS (continued)

(b) Return of capital

The provision reflects the return of capital unclaimed by shareholders. The return of capital has no effect on the total number of shares on issue nor the holdings of each shareholder.

(c) Dividends

The Company paid two 0.5 cent per share fully franked dividends to shareholders in September 2015 and March 2016 at a total cost of $749,385. The provision reflects the dividends unclaimed by shareholders.

(d) Amounts not expected to be settled within 12 months

The provision for annual leave and long service leave is presented as current since the Consolidated Entity does not have an unconditional right to defer settlement for any of these employee benefits. Long service leave covers all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances.

Based on past experience, the employees have never taken the full amount of long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months:

	2016	2015
	$	$
Leave obligations expected to be settled after 12 months	16,430	26,701

15. ISSUED CAPITAL

	2016	2015	2016	2015
	Number	Number	$	$
Fully paid ordinary shares	75,414,727	74,800,211	**19,378,595**	**19,293,706**

Accounting policy

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share and the right to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Movement in ordinary shares	Date of Issue	Issue price cents per share	Number of shares	Total $
At 1 July 2014			**73,896,071**	**19,165,182**
Issue under dividend reinvestment plan	26-Sep-14	0.1486	537,076	79,815
Issue under dividend reinvestment plan	20-Mar-15	0.1327	367,064	48,709
At 30 June 2015			**74,800,211**	**19,293,706**
At 1 July 2015			**74,800,211**	**19,293,706**
Issue under dividend reinvestment plan	25-Sep-15	0.1453	278,226	40,432
Issue under dividend reinvestment plan	18-Mar-16	0.1322	336,290	44,457
At 30 June 2016			**75,414,727**	**19,378,595**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

15. ISSUED CAPITAL (continued)

Issue under 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 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.

16. PROFITS RESERVE

	2016	2015
	$	$
Profits reserve	**3,520,118**	**677,596**
Movements in profit reserve		
Opening balance	677,596	656,053
Profits reserve transfer	3,591,907	430,925
Dividends paid (Note 17)	(749,385)	(409,382)
Closing balance	**3,520,118**	**677,596**

Accounting policy

An increase in the Profits Reserve will arise when the Company generates a net profit (after tax) for a relevant financial period (i.e. half year or full year) which the Board determines to credit to the Company's Profits Reserve. Dividends may be paid out of (and debited from) the Company's Profits Reserve, from time to time.

17. DIVIDENDS

		2016	2015
Dividends paid during the financial year:	**Paid On**	**$**	**$**
0.95 cent per share fully franked dividend	26-Sep-14	-	702,013
0.55 cent per share fully franked dividend	20-Mar-15	-	409,382
0.50 cent per share fully franked dividend	25-Sep-15	373,997	-
0.50 cent per share fully franked dividend	18-Mar-16	375,388	-
		749,385	**1,111,395**

	2016	2015
Dividends paid in cash or satisfied by issue of shares under the Dividend Reinvestment Plan (**DRP**) were as follows:		
Paid in cash	664,496	982,871
Satisfied by issue of shares under DRP	84,889	128,524
	749,385	**1,111,395**

Accounting 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 the Balance Date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

17. DIVIDENDS (continued)

	2016	2015
	$	$
Franking credits available for subsequent periods based on a tax rate of 30% (2015: 30%)	**1,806,997**	**2,127,052**

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:
(a) Franking credits that will arise from the receipt of dividends recognised as receivables at balance date;
(b) Franking credits that will arise from the payment of the amount of the provision for income tax; and
(c) Franking debits that will arise from the payment of dividends recognised as a liability at balance date.

The franking credits attributable to the Consolidated Entity include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

18. CAPITAL RISK MANAGEMENT

The Company's objectives when managing its capital are to safeguard its 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.

19. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Bentley Capital Limited, as at 30 June 2016.

	2016	2015
Statement of profit or loss and other comprehensive income	$	$
Profit for the year	1,943,660	422,252
Income tax	-	-
Total comprehensive income for the year	**1,943,660**	**422,252**
Statement of financial position		
Assets		
Cash and cash equivalents	1,103,111	98,438
Financial assets at fair value through profit or loss	1,866,291	315,487
Investment in controlled entities	11,486,043	11,486,043
Investment in Associate entity	2,102,140	8,697,333
Loans to controlled entities	1,982,519	1,536,449
Receivables	25,410	33,884
Property, plant and equipment	4,505	5,734
Other	3,649	6,973
Total assets	**18,573,668**	**22,180,341**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

19. PARENT ENTITY INFORMATION (continued)

	2016	2015
Liabilities	$	$
Loan from controlled entity	6,311,353	11,307,434
Payables	32,498	50,593
Provisions	145,160	144,991
Total liabilities	**6,489,011**	**11,503,018**
Net assets	**12,084,657**	**10,677,323**
Issued capital	19,378,596	19,293,706
Profits reserve	3,125,382	677,595
Accumulated losses	(10,419,321)	(9,293,978)
Equity	**12,084,657**	**10,677,323**

20. INVESTMENT IN CONTROLLED ENTITIES

		Ownership interest	
Investment in controlled entities	**Incorporated**	**2016**	**2015**
Scarborough Equities Pty Ltd	Australia	100%	100%
Scarborough Resources Pty Ltd	Australia	100%	100%
Bentley Portfolio No.1 Pty Ltd	Australia	100%	100%
Devisd Pty Limited	Australia	100%	100%
ShopBites Pty Limited	Australia	100%	100%
rdrct.it Pty Limited	Australia	100%	100%
Yurn.it Pty Limited	Australia	100%	100%
My Social Stream Pty Limited (incorporated on 17 August 2015)	Australia	100%	-

Accounting policy

Subsidiaries are all entities (including structured entities) over which the Consolidated Entity has control. The Consolidated Entity controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity.

The 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

21. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		**2016**	**2015**
	2016	**2015**	**$**	**$**
Strike Resources Limited (ASX:SRK)	36.16%	-	2,790,238	-
Molopo Energy Limited (ASX:MPO)	-	19.95%	-	9,495,747
			2,790,238	**9,495,747**

On 26 August 2015, Bentley sold its 49,687,332 (19.95%) shareholding in MPO on-market at a price of 26.5 cents per share for a total consideration of $13.167 million. Bentley realised a net gain of $3.67 million based on a carrying value as at 30 June 2015.

Bentley's off-market 5.5 cent per share cash takeover bid for SRK successfully closed on 2 September 2015 with acceptances received totalling 52,553,493 Strike shares (representing a 36.16% relevant interest in Strike).

With effect on 2 September 2015, Bentley's investment in SRK is regarded as an Associated Entity (over which Bentley is considered to have significant influence) and is accounted for under the equity method in the consolidated financial statements.

Accounting policy

Associates are all entities over which the Consolidated Entity has significant influence but not control or joint control, generally accompanying a shareholding of between approximately 20% and 50% of the voting rights. Investments in Associates in the consolidated financial statements are accounted for using the equity method of accounting. On initial recognition investment in associates are recognised at cost, for investments which were classified as fair value through profit or loss, any gains or losses previously recognised are reversed through profit or loss. Under this method, the Consolidated Entity's share of the post-acquisition profits or losses of Associates are recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in Other Comprehensive Income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Dividends receivable from Associates are recognised in the Statement of Profit or Loss and Other Comprehensive Income, while in the Statement of Financial Position they reduce the carrying amount of the investment. When the Consolidated Entity's share of losses in an Associate equals or exceeds its interest in the Associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Associate.

Where applicable, unrealised gains on transactions between the Consolidated Entity and its Associates are eliminated to the extent of the Consolidated Entity's interest in the Associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of Associates are aligned to ensure consistency with the policies adopted by the Consolidated Entity, where practicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 June 2016

21. INVESTMENT IN ASSOCIATE ENTITY (continued)

	2016	2015
Reconciliation of carrying amount:	**$**	**$**
Investment at cost	9,495,747	9,611,231
Share of Associates' net loss after tax	(100,204)	(115,484)
Disposal of MPO shares	(9,495,747)	-
Acquisition of SRK shares	2,890,442	-
Carrying amount on investment in Associate Entity	**2,790,238**	**9,495,747**
Fair value of listed investment in Associate		
Strike Resources Limited	**2,732,782**	**-**
Molopo Energy Limited	**-**	7,204,663
	2,732,782	**7,204,663**
Net asset value of investment		
Strike Resources Limited	**2,521,582**	-
Molopo Energy Limited ($'000)	-	**11,771**
Summarised statement of profit or loss and other comprehensive income	**$**	**$'000**
Revenue	270,630	-
Expenses	(899,300)	(449)
Loss before income tax	**(628,670)**	**(449)**
Income tax expense	-	(39)
Loss after income tax	**(628,670)**	**(488)**
Other comprehensive income	(38,113)	(90)
Total comprehensive income	**(666,783)**	**(578)**
Summarised statement of financial position		
Current assets	7,045,095	68,090
Non-current assets	2,287	-
Total assets	**7,047,382**	**68,090**
Current liabilities	74,062	241
Non-current liabilities	-	8,847
Total liabilities	**74,062**	**9,088**
Net assets	**6,973,320**	**59,002**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

22. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2016. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2016	2015
Directors	**$**	**$**
Short-term employee benefits		
Performance Bonus Scheme payment	273,300	-
Other	218,114	263,452
Post-employment benefits	27,675	22,043
Other long-term benefits	4,039	-
Other KMP		
Short-term employee benefits		
Performance Bonus Scheme payment	83,196	-
Other	78,580	85,000
Post-employment benefits	15,979	8,075
Other long-term benefits	6,232	-
	707,115	**378,570**

(b) Transactions with other related parties

No other related party transactions have been identified than those disclosed above.

23. AUDITORS' REMUNERATION

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2016	2015
Rothsay Auditing	**$**	**$**
Audit and review of financial statements	22,000	-
BDO Audit (WA) Pty Ltd		
Audit and review of financial statements	-	39,663
Taxation services	-	8,080
Other fees	-	849
	22,000	**48,592**

The Company changed its Auditors from BDO Audit (WA) Pty Ltd to Rothsay Auditing with effect on 12 February 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2016

24. COMMITMENTS

	2016	2015
	$	$
Not longer than one year	32,083	56,035
Longer than one year but not longer than five years	-	32,083
	32,083	**88,118**

On or about 19 May 2015, the Consolidated Entity renewed its non-cancellable operating lease agreement for shared office accommodation. The lease was for a further 18 month term expiring on or about 30 January 2017. The lease commitment is the Consolidated Entity's share of the lease costs and includes all outgoings (inclusive of GST).

Accounting policy

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated Entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

25. CONTINGENCIES

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

26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Subsequent to the balance date (and to 26 August 2016), the Consolidated Entity
  (i) Realised $0.831 million from the sale of listed securities; and
  (ii) Invested a further $0.750 million in listed securities, including the acquisition of a further 3.9 million shares in Keybridge Capital Limited (ASX:KBC) at a cost of $0.701 million (taking the Consolidated Entity's total shareholding to 31.7 million shares representing 19.96% of KBC).

(c) Subsequent to balance date, the Directors have determined to write-off $344,681 of capitalised software development costs based on a decision to close down operations in relation to two projects. The Directors note that the Consolidated Entity’s technology operation will transition to a greater focus on commercial exploitation after the completion of development of projects in its current pipeline in the near future. As such, the Directors expect a significant reduction in the level of expenditure incurred in relation to its software development operations in the current financial period.

(b) The Directors have declared payment of a 0.50 cent per share fully-franked dividend. The record date for determining entitlements is 22 September 2016 with payment expected to be made on or about 29 September 2016. The Company's Dividend Reinvestment Plan (DRP) will apply to this dividend - the Directors have determined that the DRP issue price will be at a 2.5% discount to the Company’s volume weighted average price on ASX in the 5 day period up to and including the dividend record date.

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

The Directors of the Company declare that:

(1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 26 to 55 are in accordance with the *Corporations Act 2001 (Cth)* and:

   (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and

   (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of their performance for the year ended on that date;

(2) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and

(4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

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

Farooq Khan
Chairman

Simon Cato
Non-Executive Director

31 August 2016

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

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BENTLEY CAPITAL LIMITED

Report on the financial report

We have audited the accompanying financial report of Bentley Capital Limited ("the Company") which comprises the balance sheet as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the year.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report. The Directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Company, and have met the independence requirements of Australian professional ethical requirements and the *Corporations Act 2001*.

Audit opinion

In our opinion the financial report of Bentley Capital Limited is in accordance with the *Corporations Act 2001*, including:

a) (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of their performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

b) the consolidated financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Audit opinion

In our opinion the remuneration report of Bentley Capital Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

Rothsay

Rothsay Auditing

GR Swan

Graham Swan FCA
Partner

Dated 31 August 2016

INVESTMENT MANDATE

The Investment Objectives of Bentley are to:

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

1. INVESTMENT STRATEGY

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

- Strategic Investments; and
- Non-strategic Investments.

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

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

(a) Strategic Investments

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

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

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

(b) Non-Strategic Investments

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

2. PORTFOLIO ALLOCATION

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

3. INVESTMENTS

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

4. MANAGEMENT OF INVESTMENTS

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

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

* *Investment Mandate was approved by shareholders at a general meeting held on 25 February 2009*

LIST OF SHARE INVESTMENTS

SHARE INVESTMENT PORTFOLIO AS AT 30 JUNE 2016

Listed Investments	ASX Code	Industry	No of Units	Value ($)	% of Portfolio
Keybridge Capital Limited	KBC	Diversified Financials	27,800,000	4,309,000	29.71%
Strike Resources Limited	SRK	Materials	52,553,493	2,790,238[1,2]	19.24%
BHP Billiton Limited	BHP	Materials	30,000	558,600	3.85%
Woodside Petroleum Limited	WPL	Energy	20,000	534,000	3.68%
Carnarvon Petroleum Limited	CVN	Energy	5,200,000	520,000	3.59%
National Australia Bank	NAB	Banking	20,000	507,600	3.50%
Ramsay Health Care Limited	RHC	Health Care Equipment & Services	650	46,423	0.32%
Coca-Cola Amatil Limited	CCL	Consumer Staples	4,800	39,168	0.27%
Woolworths Limited	WOW	Food & Staples Retailing	1,800	37,386	0.26%
Australia and New Zealand Banking Group Limited	ANZ	Banking	1,500	36,075	0.25%
Fairfax Media Limited	FXJ	Media	37,500	34,875	0.24%
Challenger Limited	CGF	Diversified Financials	3,700	31,820	0.22%
IVE Group Limited	IGL	Commercial Services & Supplies	12,400	26,660	0.18%
QBE Insurance Group Limited	QBE	Insurance	2,500	26,025	0.18%
Telstra Corporation Limited	TLS	Telecommunication Services	4,600	25,530	0.18%
Seek Limited	SEK	Commercial Services & Supplies	1,550	23,405	0.16%
Seymour Whyte Limited	SWL	Capital Goods	32,000	23,040	0.16%
Miscellaneous listed securities	Various	Various	Various	112,201	0.77%
Total Listed Investments				**9,682,046**	**66.76%**
Unlisted Investment					
CBG Australian Equities Fund (Wholesale) (**CBG Fund**)			2,947,273	4,820,530	33.24%
TOTAL				**14,502,576**	**100.00%**

SHARE INVESTMENT PORTFOLIO AS AT 30 SEPTEMBER 2016

Listed Investments	ASX Code	Industry	No of Units	Value ($)	% of Portfolio
Keybridge Capital Limited	KBC	Diversified Financials	31,700,000	4,279,500	32.84%
Strike Resources Limited	SRK	Materials	52,553,493	2,643,991[1,3]	20.29%
Woodside Petroleum Limited	WPL	Energy	20,000	572,000	4.39%
National Australia Bank	NAB	Banking	20,000	557,000	4.27%
Carnarvon Petroleum Limited	CVN	Energy	5,200,000	546,000	4.19%
Santos Limited	STO	Energy	100,000	440,000	3.38%
Miscellaneous listed securities	Various	Various	Various	5,376	0.04%
Total Listed Investments				**9,043,866**	**69.40%**
Unlisted Investment					
CBG Fund			2,351,864	3,987,233	30.60%
TOTAL				**13,031,099**	**100.00%**

Notes:

(1) Investments in Associate entities (over which Bentley is considered to have significant influence) are carried at fair value based on equity accounting and not based on market value. Under the equity method, the carrying amount of an investment in an Associate entity is at initial cost plus a share of the Associate Entity's net profit or loss (after tax) for the financial period to the relevant balance date. Refer Note 21 (Investment in Associate Entity) on page 52 of Annual Report for further information in this regard.

(2) Bentley has accounted for its investment in (Associate entity) SRK (52,553,493 shares being 36.16% of SRK's total issued share capital) at a carrying value of $2.79 million (being $0.053 per share) (as at 30 June 2016).

(3) Bentley has accounted for its investment in (Associate entity) SRK (52,553,493 shares being 36.16% of SRK's total issued share capital) at a carrying value of $2.64 million (being $0.052 per share) (as at 30 September 2016).

ADDITIONAL ASX INFORMATION

CORPORATE GOVERNANCE STATEMENT

The Company has adopted the Corporate Governance Principles and Recommendations (3rd Edition, March 2014) issued by the ASX Corporate Governance Council in respect of the financial year ended 30 June 2016.

Pursuant to ASX Listing Rule 4.10.3, the Company's 2016 Corporate Governance Statement (dated on or about 17 October 2016) and ASX Appendix 4G (Key to Disclosures of Corporate Governance Principles and Recommendations) can be found at the following URL on the Company's Internet website: http://bel.com.au/corporate-governance

INVESTMENT TRANSACTIONS AND BROKERAGE

During the financial year ended 30 June 2016, Bentley entered into ~62 (2015: ~195) transactions for the purchase and sale of securities, incurring brokerage fees totalling ~$63,242 (2015: ~$33,145). Bentley undertook one investment into and one redemption from the CBG Fund (2015: 2 redemptions). There are no entry or exit fees applicable to the CBG Fund.

INVESTMENT MANAGEMENT AGREEMENT

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

VOTING RIGHTS

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

ADDITIONAL ASX INFORMATION
as at 13 October 2016

DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	243	121,917	0.16%
1,001	-	5,000	626	1,933,021	2.55%
5,001	-	10,000	349	2,522,177	3.33%
10,001	-	100,000	480	13,037,418	17.21%
100,001	-	and over	77	58,158,492	76.75%
TOTAL			**1,775**	**75,773,025**	**100.00%**

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,703	619	993,275	1.31%
3,704	-	over	1,156	74,779,750	98.69%
TOTAL			**1,775**	**75,773,025**	**100.00%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 3,703 shares or less, being a value of $500 or less in total, based upon the Company's last sale price on ASX as at 13 October 2016 of $0.135 per share.

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Total Number of Shares Held	% Voting Power
Queste Communications Ltd (ASX:**QUE**)	QUE	1,300,000	28.79%(1)
	OEQ	20,513,783	
Mr Azhar Chaudhri, Renmuir Holdings Limited and Chi Tung Investments Ltd	QUE	1,300,000	28.79%(2)
	OEQ	20,513,783	
Orion Equities Limited (ASX:**OEQ**)	OEQ	20,513,783	27.07%
Data Base Systems Limited (**DBS**) and Ambreen Chaudhri	DBS	11,717,586	15.46%(3)

Notes:

(1) Based on the substantial shareholding notice filed by QUE dated 7 June 2016 (updated to reflect current percentage voting power)

(2) Based on the substantial shareholding notice filed by Azhar Chaudhri dated 2 May 2012 (updated to reflect current registered shareholdings and percentage voting power)

(3) Based on the substantial shareholding notice filed by DBS and Ambreen Chaudhri dated 15 May 2012 (updated to reflect current percentage voting power)

ADDITIONAL ASX INFORMATION
as at 13 October 2016

TOP 20 ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Total Shares Held	% Issued Capital
1	ORION EQUITIES LIMITED	20,513,783	27.07%
2	DATABASE SYSTEMS LTD	11,717,586	15.46%
3	CHARLES W ROCKEFELLER PTY LTD	3,900,000	5.15%
4	MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN	1,662,478	2.19%
5	MR JOHN ROBERT DILLON	1,489,019	1.96%
6	MR BOON CHUAN AW	1,402,807	1.85%
7	QUESTE COMMUNICATIONS LIMITED	1,300,000	1.72%
8	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE	900,000	1.19%
9	AVANTEOS INVESTMENTS LIMITED	480,858	0.64%
10	EXTRA EDGE PTY LTD	650,000	0.86%
11	MON NOMINEES PTY LTD	599,335	0.79%
12	BOND STREET CUSTODIANS LIMITED	559,648	0.74%
13	KJ & ML GILROY PTY LTD	500,000	0.66%
14	INGARSBY PTY LTD	500,000	0.66%
15	MRS CUIXIAN WANG	500,000	0.66%
16	TADMARO PTY LIMITED	460,897	0.61%
17	MR JOHN STEPHEN CALVERT	446,914	0.59%
18	MR WENRONG LU	395,000	0.52%
19	MR PAUL GERARD GRAFEN	392,630	0.52%
20	MRS DENISE MAREE BATTERSHELL & MR GARRY GLEN BATTERSHELL	353,299	0.47%
TOTAL		**48,724,254**	**64.31%**

BENTLEY CAPITAL LIMITED
ABN 87 008 108 218

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