



Bentley Capital Limited

HALF YEAR REPORT

31 December 2016

THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE
30 JUNE [2016 ANNUAL REPORT](#) OF THE COMPANY
LODGED ON ASX ON 19 OCTOBER 2016



ASX Code: BEL

Bentley Capital Limited

A.B.N. 87 008 108 218

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BOARD

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

COMPANY SECRETARY

Victor P. H. Ho

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APPENDIX 4D HALF YEAR REPORT

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

Current reporting period:	1 July 2016 to 31 December 2016
Previous corresponding period:	1 July 2015 to 31 December 2015
Reporting Date:	31 December 2016
Company:	Bentley Capital Limited (BEL or the Company)
Consolidated Entity:	BEL and controlled entities (Bentley)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

CONSOLIDATED	Dec 2016 \$'000	Dec 2015 \$'000	% Change	Up/ Down
Net gain on sale of financial asset held for sale	-	4,115	N/A	N/A
Dividends	33	8	320%	Up
Interest	13	56	77%	Down
Other income	10	45	77%	Down
Total revenue	56	4,224	99%	Down
Net loss on financial assets at fair value through profit or loss	(645)	-	N/A	N/A
Share of Associate entity's loss	-	(102)	N/A	N/A
Software development expenses	(789)	(508)	55%	Up
Salaries, fees and employee benefits	(178)	(530)	66%	Down
Investment expenses	(19)	(66)	72%	Down
Corporate expenses	(50)	(53)	5%	Down
Administration expenses and other expenses	(201)	(453)	56%	Down
Total expenses	(1,882)	(1,712)	10%	Up
Profit/(Loss) before tax	(1,826)	2,512	173%	Down
Income tax benefit/(expense)	-	-		
Profit/(Loss) after tax attributable to members	(1,826)	2,512	173%	Down
Other comprehensive income (net of tax)	368	-	N/A	N/A
Total Comprehensive Income/(Loss) for the half year	(1,458)	2,512	158%	Down
Basic and diluted earnings/(loss) per share (cents)	(1.93)	3.35	158%	Down
CONSOLIDATED	Dec 2016 cents	June 2016 cents	% Change	Up/ Down
Pre-Tax NTA backing per share	18.75	20.80	10%	Down
Post-Tax NTA backing per share	18.75	20.80	10%	Down
Pre and Post-Tax NTA backing per share (with the dividend paid during the Current Reporting Period added back)	19.25	20.80	7%	Down

BRIEF EXPLANATION OF RESULTS

The Net loss on financial assets of \$0.645 million relates principally to the investment in [Keybridge Capital Limited](#) (ASX: [KBC](#)) - Bentley notes that the 31 December 2016 carrying value of its 31,700,000 shareholding in KBC is 12.5 cents per share (based on KBC's closing bid price on ASX), which compares with KBC's last published net asset backing of 19.02 cents per share (as at [31 January 2017](#)).

The 31 December 2016 carrying value of Bentley's 52,553,493 shareholding in [Strike Resources Limited](#) (ASX: [SRK](#)) is 6.5 cents per share (based on SRK's closing bid price on ASX). Bentley notes that Strike has recently announced the proposed sale of its Peru iron-ore assets for a gross consideration of US\$10 million (currently equivalent to A\$13 million)¹, which, if realised, will increase Strike's existing cash reserves (of [~\\$6.35 million](#) as at 31 December 2016²) and translate to Strike having a gross cash backing of ~13 cents per share.

1 Refer SRK's ASX Announcement dated [14 December 2016: Sale of Peru Iron Ore Assets](#)

2 Refer SRK's [December 2016 Quarterly Report](#)

APPENDIX 4D HALF YEAR REPORT

Bentley notes that Software development expenses of \$0.789 million incurred for the half year are expected to be considerably lower for the following half year as a consequence of the reduction in the scale of operations of such division.

Please refer to the Directors' Report and financial statements and notes for information on a review of Bentley's operations and the financial position and performance of Bentley for the half year ended 31 December 2016.

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
0.5 cent per share	24 March 2017	31 March 2017	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 [Application/Notice of Variation Form](#) can be obtained from the Company or downloaded from the Company's website.

The Company paid a 0.50 cent per share fully franked dividend and issued shares under its DRP during the financial half year as follows:

Dividend Rate	Record Date	Payment Date	DRP Issue Price (cents)	DRP Shares Issued
0.5 cent per share	22 September 2016	29 September 2016	13.99	358,298

This continues Bentley's long distribution track record with recent payments as illustrated below³:

Rate per share	Nature	Record Date	Payment Date	Franking	DRP Issue Price
0.50 cent	Dividend	24 March 2017	31 March 2017	100%	TBA
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

³ Bentley paid a distribution to shareholders every year (save on 4 occasions) since its admission to ASX in 1986.

APPENDIX 4D HALF YEAR REPORT

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.

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

ASSOCIATE ENTITY

With effect on Balance Date, the Company classified its 36.16% interest (52,553,493 shares) in [Strike Resources Limited](#) (ASX:SRK) (30 June 2016: 36.16%; 52,553,493 shares) from being an investment in an Associate entity (accounted under Accounting Standard [AASB 128](#)) to being an investment in a Non-Current Asset Held For Sale (accounted under [AASB 5](#)).

CONTROLLED ENTITIES

The Company did not gain or lose control over any entities during the financial half year.

For and on behalf of the Directors,



Victor Ho
Company Secretary

Date: 28 February 2017

Telephone: (08) 9214 9757

Email: cosec@bel.com.au

DIRECTORS' REPORT

The Directors present their Directors' Report on Bentley Capital Limited ABN 87 008 108 218 (**Company** or **BEL**) and its controlled entities (the **Consolidated Entity** or **Bentley**) for the financial half year ended 31 December 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 mandate⁴, 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 Index⁵:

- (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	December 2016 \$'000	June 2016 \$'000
Net assets	14,503	16,288
Less: Intangible assets	(296)	(604)
Net tangible assets	14,207	15,683
Pre-tax NTA backing per share (cents)	18.75	20.80
Less: Net deferred tax asset/liabilities / tax provision	-	-
Net tangible assets	14,207	15,683
Post-tax NTA backing per share (cents)	18.75	20.80
Value of dividend paid in previous 6 months	377	374
Adjusted Pre and post-tax NTA backing per share (cents) (with the dividend paid during the half year added back)	19.25	N/A
Based on total issued shares	75,773,025	75,414,727

During the financial half year, Bentley paid a fully franked dividend of 0.50 cent per share to shareholders⁶.

Bentley's 31 January 2017 pre and post-tax NTA backing was 18.2 cents per share (unaudited)⁷.

⁴ Refer Bentley's ASX announcement dated [15 January 2009: Notice of Meeting and released on ASX on 23 January 2009](#)

⁵ Refer Bentley's ASX announcement dated [10 May 2010: Appointment of Chief Investment Officer and Implementation of Investment Strategy](#)

⁶ Refer Bentley's ASX announcement dated [31 August 2016: Declaration of Dividend](#)

⁷ Refer Bentley's ASX announcement dated [14 February 2016: NTA Backing as at 31 January 2017](#)

DIRECTORS' REPORT

OPERATING RESULTS

CONSOLIDATED	December 2016 \$'000	December 2015 \$'000
Net gain on sale of financial asset held for sale	-	4,115
Dividends	33	8
Interest	13	56
Other income	10	45
Total revenue	56	4,224
Net loss on financial assets at fair value through profit or loss	(645)	-
Share of loss in Associate entity	-	(102)
Software development expenses	(789)	(508)
Salaries, fees and employee benefits	(178)	(530)
Investment expenses	(19)	(66)
Corporate expenses	(50)	(53)
Administration expenses and other expenses	(201)	(453)
Total expenses	(1,882)	(1,712)
Profit / (Loss) before income tax expense	(1,826)	2,512
Income tax expense	-	-
Profit / (Loss) after income tax expense	(1,826)	2,512

The Net loss on financial assets of \$0.645 million relates principally to the investment in [Keybridge Capital Limited](#) (ASX: [KBC](#)) - Bentley notes that the 31 December 2016 carrying value of its 31,700,000 shareholding in KBC is 12.5 cents per share (based on KBC's closing bid price on ASX), which compares with KBC's last published net asset backing of 19.02 cents per share (as at [31 January 2017](#)).

The 31 December 2016 carrying value of Bentley's 52,553,493 shareholding in [Strike Resources Limited](#) (ASX: [SRK](#)) is 6.5 cents per share (based on SRK's closing bid price on ASX). Bentley notes that Strike has recently announced the proposed sale of its Peru iron-ore assets for a gross consideration of US\$10 million (currently equivalent to A\$13 million)⁸, which, if realised, will increase Strike's existing cash reserves (of [~\\$6.35 million](#) as at 31 December 2016⁹) and translate to Strike having a gross cash backing of ~13 cents per share.

Bentley notes that Software development expenses of \$0.789 million incurred for the half year are expected to be considerably lower for the following half year as a consequence of the reduction in the scale of operations of such division.

EARNINGS/(LOSS) PER SHARE

CONSOLIDATED	December 2016 cents	December 2015 cents
Earnings/(Loss) per share (cents)	(1.93)	3.35

⁸ Refer SRK's ASX Announcement dated [14 December 2016: Sale of Peru Iron Ore Assets](#)

⁹ Refer SRK's [December 2016 Quarterly Report](#)

DIRECTORS' REPORT

FINANCIAL POSITION

CONSOLIDATED	December 2016 \$'000	June 2016 \$'000
Investments	9,149	11,712
Non-current asset held for sale	3,258	-
Investment in Associate entity	-	2,790
Cash and cash equivalents	1,916	1,345
Net deferred tax asset / liabilities	-	-
Intangible assets	296	604
Other assets	102	129
Liabilities	(218)	(292)
Net assets	14,503	16,288
Issued capital	19,429	19,379
Reserves	3,170	3,520
Accumulated losses	(8,096)	(6,611)
Total equity	14,503	16,288

DIVIDENDS

The Directors have declared payment of a fully franked dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking
0.5 cent per share	24 March 2017	31 March 2017	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 [Application/Notice of Variation Form](#) be obtained from the Company or downloaded from the Company's website.

The Company paid a fully franked dividend during the financial half year at a total cost of \$0.374 million as follows:

Dividend Rate	Record Date	Payment Date	DRP Issue Price (cents)	DRP Shares Issued
0.5 cent per share	22 September 2016	29 September 2016	13.99	358,298

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.

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.

DIRECTORS' REPORT

SECURITIES ON ISSUE

The Company has 75,773,025 (30 June 2016: 75,414,727) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

The Company issued 358,298 new shares during the financial half year as a consequence of shareholders' participation under the Company's DRP, at an average price of \$0.1399 per share (December 2015: 278,226 shares at \$0.1453 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	31 December 2016		30 June 2016		31 December 2015	
	\$'m	%	\$'m	%	\$'m	%
Australian equities ¹	12.40	85.6	14.50	89.0	11.50	61.8
Intangible assets ²	0.30	2.0	0.60	3.7	0.70	3.7
Provision for income tax	-	-	-	-	-	-
Net cash on deposit/other assets/provisions	1.80	12.4	1.19	7.3	6.40	34.5
Total Net Assets	14.50	100.0	16.29	100.0	18.60	100.0
NTA backing per share	\$0.1875		\$0.2080		\$0.2385	
Adjusted NTA Backing per share (with dividends paid during the half year ending 31 December 2016 added back)	\$0.1925		N/A		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	31 December 2016		30 June 2016		31 December 2015	
			\$'m	%	\$'m	%	\$'m	%
CBG Australian Equities Fund	-	Diversified	3.96	27.3	4.82	29.6	5.72	30.8
Keybridge Capital Limited	KBC	Diversified	3.96	27.3	4.31	26.5	-	-
Strike Resources Limited	SRK	Metals & Mining	3.26 ⁴	22.5	2.79 ³	17.1	2.79 ³	15.0
Other listed securities	Various	Various	1.22	8.4	2.58	15.8	2.32	12.5

3. Investment in Associate entity carried at fair value based on equity accounting
4. Non-Current Asset Held for Sale carried at fair value (ASX market) less selling costs

Investment in [Keybridge Capital Limited](#) (ASX: [KBC](#))

As at 31 December 2016 and currently, Bentley held 31,700,000 shares in KBC, being 19.96%¹⁰ of KBC's total issued share capital (being the second largest shareholding in KBC) (30 June 2016: 27,800,000 KBC shares (16.97%)).

Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets including in the solar (Spain), private equity (US), life insurance (New Zealand), property and funds management sectors and strategic holdings in [HHY Fund](#) (ASX:[HHY](#)), [Molopo Energy Limited](#) (ASX:[MPO](#)), [Metgasco Limited](#) (ASX: [MEL](#)) and [PTB Group Limited](#) (ASX:[PTB](#)).

¹⁰ Refer BEL's ASX Announcement dated [8 July 2016: Change in Substantial Holding in KBC](#)

DIRECTORS' REPORT

Since 1 July 2016, KBC shares have traded on ASX within a range of \$0.115 to \$0.18 with a closing price of \$0.125 (and \$19.9 million market capitalisation) as at 31 December 2016 and a current closing price of \$0.13 (as at 27 February 2017).

Further information about Keybridge's net assets and investment affairs are contained in their ASX releases, including as follows:

- 28 February 2017: [Half Year Report – 31 December 2016](#);
- 21 February 2017: [Net Asset Backing – January 2017](#).

Bentley Directors (William Johnson and Simon Cato) are on the Board of Keybridge¹¹.

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](#)".

Investment in [Strike Resources Limited](#) (ASX : [SRK](#))

As at 31 December 2016 and currently, Bentley held 52,553,493 shares in SRK, being 36.16%¹² of SRK's total issued share capital (being the largest shareholding in SRK) (30 June 2016: 52,553,493 SRK shares (36.16%)).

Bentley Chairman (Farooq Khan) is also Chairman of Strike and Bentley Executive Director (William Johnson) is the Managing Director Strike.

Since 1 July 2016, SRK shares have traded on ASX within a range of 4 to 7.8 cents with a closing price of 7.1 cents (and \$10.3 million market capitalisation) as at 31 December 2016 and a current closing price of 6.8 cents (as at 27 February 2017).

Strike owns the high grade [Apurimac Magnetite Iron Ore Project](#) and [CUSCO Magnetite Iron Ore Project](#) in Peru, is currently developing a portfolio of [lithium](#) and [graphite](#) exploration projects in Australia and Chile and retains relatively strong cash reserves of [~\\$6.35 million](#) (as at 31 December 2016)¹³.

On 14 December 2016, Strike announced that it had entered into a conditional sale agreement with a subsidiary of Chinese industrial and financial group [Zhongrong Xinda Group](#) Co. Ltd. to sell its Apurimac and Cusco Iron Ore Projects in Peru for US\$10 million (~A\$13.8 million)¹⁴. The sale is subject to completion of due diligence (by 30 April 2017), execution of final documentation and compliance with all regulatory requirements.

As a consequence of the change in Strike's circumstances pertaining to the sale announcement referred to above, with effect on 31 December 2016, Bentley determined to change the accounting treatment of its shareholding in Strike from being an investment in an Associate entity (accounted under Accounting Standard [AASB 128](#)) to being an investment in a Non-Current Asset Held For Sale (accounted under [AASB 5](#)).

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](#)".

11 Refer KBC's ASX announcement dated [29 July 2016: Results of General Meeting and Board Changed](#) and [Notice of General Meeting](#) dated 7 June 2016

12 Refer BEL's ASX Announcement dated [4 September 2015: Change in Substantial Holding in SRK](#)

13 Refer SRK's [December 2016 Quarterly Report](#)

14 Refer SRK's ASX Announcement dated [14 December 2016: Sale of Peru Iron Ore Assets](#)

DIRECTORS' REPORT

Investment in the CBG Australian Equities Fund (Wholesale) (CBG Fund)¹⁵

As at 31 December 2016, Bentley had ~\$3.96 million (27.3% of its net assets) invested in the CBG Australian Equities Fund (Wholesale) (CBG Fund) (December 2015: ~\$5.72 million (30.76%)).

The 6 month net performance of the CBG Fund to 31 December 2016 was +3.0% (December 2015: +10.1%) compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of +10.6% (December 2015: -0.5%).

Bentley's investment in CBG Fund has generated a realised gain of \$0.258 million and incurred an unrealised loss of \$0.114 million for the financial half year (December 2015: \$0.508 million unrealised gain). The investment's unrealised gain (from historical cost) is \$0.761 million (December 2015: \$1.676 million unrealised gain).

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 provided to the Company as at 31 December 2016 are as follows:

- The equity weighting was 83.65% (December 2015: 96.6%);
- 82.14% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (December 2015: 81.1%) with the balance of 17.86% invested in companies outside of the S&P/ASX 200 Index (December 2015: 18.9%); and
- The equity portfolio contained 47 holdings (December 2015: 45 holdings).

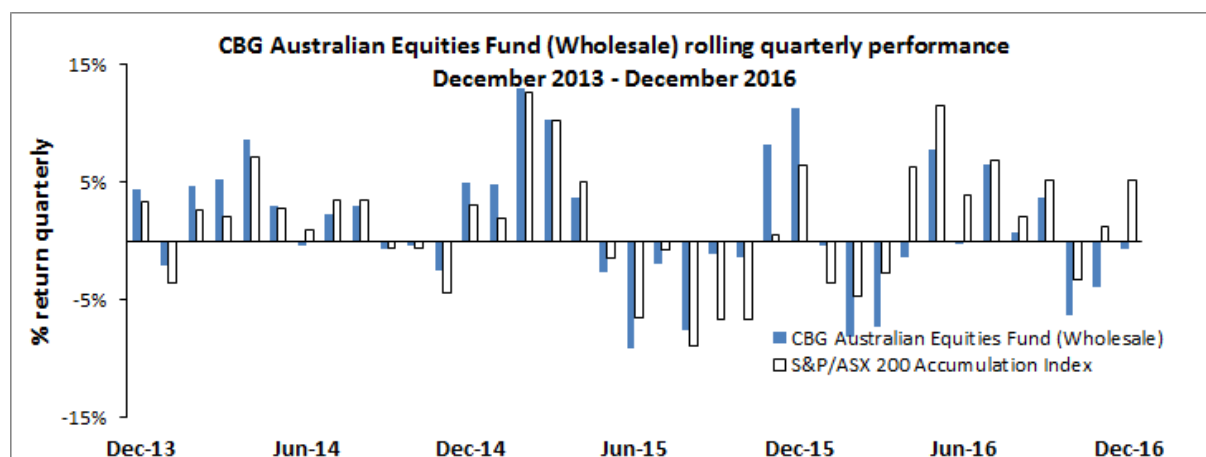
CBG Fund Returns To: 31 December 2016	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Since Inception (% p.a.)
CBG Fund	1.9%	-0.6%	3.0%	-4.6%	2.6%	4.8%	9.2%
ASX/ S&P 200 Accumulation Index	4.4%	5.2%	10.6%	11.8%	7.1%	6.6%	8.2%

The monthly performance of the CBG Fund for January 2017 was -2.1% compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of -0.8%.

CBG Fund Returns To: 31 January 2017	1mth (%)	3mths (%)	6mths (%)	1yr (%)	2yrs (% p.a.)	3yrs (% p.a.)	Since Inception (% p.a.)
CBG Fund	-2.1%	0.9%	-5.6%	-0.6%	-0.3%	4.9%	9.0%
ASX/ S&P 200 Accumulation Index	-0.8%	6.6%	3.2%	17.3%	4.9%	7.4%	8.1%

¹⁵ Based on information provided by investment manager, [CBG Asset Management Limited](#)

DIRECTORS' REPORT



Source: CBG Asset Management Limited

Notes:

- Shows the net return of the fund over the preceding 3 months for each quarter, compared with that of the benchmark ASX/S&P 200 Accumulation Index.
- The information in the table is historical and the past performance of the CBG Australian Equities Fund (Wholesale) is not a reliable predictor of the future performance of such fund; CBG have not made any representation to the Company that it will achieve any specific future rate of return on the fund.

CBG Fund Top 20 Holdings			CBG Fund Sector Weights	
ASX Code	Asset Name	Fund Weight 31-Dec-16		Fund Weight 31-Dec-16
CBA	COMMONWEALTH BANK OF AUSTRALIA	11.6%	Financials (ex-Real Estate)	39.4%
WBC	WESTPAC BANKING CORPORATION	9.3%	Cash/Hybrids/Fixed Interest	16.4%
NAB	NATIONAL AUSTRALIA BANK LIMITED	4.5%	Industrials	11.1%
HGG	HENDERSON GROUP	4.4%	Consumer Discretionary	9.3%
ANZ	ANZ BANKING GROUP LIMITED	4.1%	Real Estate	6.3%
MQA	MACQUARIE ATLAS ROADS GROUP	3.7%	Utilities	5.5%
LLC	LENDLEASE GROUP	3.6%	Health Care	3.6%
TCL	TRANSURBAN GROUP	3.4%	Information Technology	3.6%
APA	APA GROUP	2.9%	Telecommunication Services	3.3%
MFG	MAGELLAN FINANCIAL GROUP	2.8%	Materials	1.5%
SDA	SPEEDCAST INTERNATIONAL LIMITED	2.6%	Consumer Staples	<0.1%
DUE	DUET GROUP	2.3%		
EGH	EUREKA GROUP HOLDINGS LIMITED	2.2%		
AHG	AUTOMOTIVE HOLDINGS GROUP	2.2%		
REA	REA GROUP LIMITED	2.0%		
SLK	SEALINK TRAVEL GROUP LIMITED	1.7%		
RMD	RESMED INC	1.6%		
SUN	SUNCORP GROUP LIMITED	1.6%		
TNE	TECHNOLOGY ONE LIMITED	1.3%		
CL1	CLASS LIMITED	1.3%		

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.

DIRECTORS' REPORT

DIRECTORS

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

FAROOQ KHAN	Chairman
<i>Appointed</i>	Director since 2 December 2003; Chairman since 10 February 2004
<i>Qualifications</i>	BJuris, LLB (<i>Western Australia</i>)
<i>Experience</i>	Mr Khan is a qualified lawyer having previously practised principally in the field of corporate law. Mr Khan has extensive experience in the securities industry, capital markets and the executive management of ASX-listed companies. In particular, Mr Khan has guided the establishment and growth of a number of public listed companies in the investment, mining and financial services sector. He has considerable experience in the fields of capital raisings, mergers and acquisitions and investments.
<i>Relevant interest in shares</i>	None ¹⁶
<i>Special Responsibilities</i>	Chairman of the Board and Investment Committee
<i>Other current directorships in listed entities</i>	(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) ¹⁷
<i>Former directorships in other listed entities in past 3 years</i>	Nil
WILLIAM M. JOHNSON	Executive Director
<i>Appointed</i>	Director since 13 March 2009; Executive Director since 1 January 2016
<i>Qualifications</i>	MA (<i>Oxon</i>), MBA
<i>Experience</i>	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.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Member of the Investment, Audit and Remuneration Committees
<i>Other current directorships in listed entities</i>	(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) ¹⁸
<i>Former directorships in other listed entities in past 3 years</i>	Nil

¹⁷ Refer SRK's ASX announcement dated [18 December 2015: Change of Chairman](#)

¹⁸ Refer KBC's ASX announcement dated [29 July 2016: Results of General Meeting and Board Changes](#).

DIRECTORS' REPORT

SIMON K. CATO	Non-Executive Director
<i>Appointed</i>	7 January 2015
<i>Qualifications</i>	B.A. (Sydney)
<i>Experience</i>	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.
<i>Relevant interest in shares</i>	None
<i>Special Responsibilities</i>	Chairman of the Audit and Remuneration Committees
<i>Other current directorships in listed entities</i>	(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)
<i>Former directorships in other listed entities in past 3 years</i>	Nil

COMPANY SECRETARY

VICTOR P. H. HO	Company Secretary
<i>Appointed</i>	5 February 2004
<i>Qualifications</i>	BCom, LLB (Western Australia), CTA
<i>Experience</i>	Mr Ho has been in Executive roles with a number of ASX listed companies across the investments, resources and technology sectors over the past 17+ 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.
<i>Special Responsibilities</i>	Member of the Investment Committee and Secretary of the Audit and Remuneration Committees
<i>Relevant interest in shares</i>	50,000 ordinary shares (held indirectly)
<i>Other positions held in listed entities</i>	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 Secretary since 1 October 2015) Company Secretary of Keybridge Capital Limited (ASX:KBC) (since 13 October 2016)
<i>Former position in other listed entities in past 3 years</i>	Company Secretary of Alara Resources Limited (ASX:AUQ) (4 April 2007 to 31 August 2015)

DIRECTORS' REPORT

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under [section 307C](#) of the Corporations Act 2001 forms part of this Directors Report and is set out on page 15. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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



Farooq Khan
Chairman



Simon Cato
Non-Executive Director and
Chairman of the Audit Committee

28 February 2017



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 review of the 31 December 2016 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham R Swan (Lead auditor)

Rothsay Auditing

Dated 28th February 2017



Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half year ended 31 December 2016

	Note	31 Dec 16	31 Dec 15
REVENUE		\$	\$
Investment	2		
Dividend revenue		33,561	7,889
Interest revenue		12,611	56,099
Other			
Net gain on financial assets at fair value through profit or loss		-	4,115,526
Other income		10,240	45,013
TOTAL REVENUE AND INCOME		56,412	4,224,527
EXPENSES	3		
Net loss on financial assets at fair value through profit or loss		(644,819)	-
Share of Associate entity's loss		-	(101,507)
Provision for doubtful debt - convertible note		-	(132,782)
Software development expenses		(789,495)	(507,668)
Investment expenses		(18,536)	(66,310)
Occupancy expenses		(20,193)	(18,407)
Corporate expenses		(50,142)	(52,766)
Finance expenses		(3,080)	(3,498)
Administration expenses		(356,037)	(829,461)
PROFIT/(LOSS) BEFORE INCOME TAX		(1,825,890)	2,512,128
Income tax expense		-	-
PROFIT/(LOSS) FOR THE HALF YEAR		(1,825,890)	2,512,128
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income, net of tax		367,874	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE HALF YEAR		(1,458,016)	2,512,128
EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted earnings/(loss) per share (cents)	5	(1.93)	3.35

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2016

	Note	31 Dec 16 \$	30 Jun 16 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,915,960	1,344,723
Financial assets at fair value through profit or loss	7	9,149,443	11,712,339
Non-current asset held for sale	8	3,258,316	-
Receivables		67,100	98,568
Other current assets		11,924	3,650
TOTAL CURRENT ASSETS		14,402,743	13,159,280
NON-CURRENT ASSETS			
Receivables		10,113	10,113
Investment in Associate entity		-	2,790,238
Intangible assets	10	295,675	604,479
Property, plant and equipment		12,417	15,336
Deferred tax asset		167,495	9,835
TOTAL NON-CURRENT ASSETS		485,700	3,430,001
TOTAL ASSETS		14,888,443	16,589,281
CURRENT LIABILITIES			
Payables		42,465	124,039
Provisions		175,721	167,686
TOTAL CURRENT LIABILITIES		218,186	291,725
NON-CURRENT LIABILITIES			
Deferred tax liability		167,495	9,835
TOTAL NON-CURRENT LIABILITIES		167,495	9,835
TOTAL LIABILITIES		385,681	301,560
NET ASSETS		14,502,762	16,287,721
EQUITY			
Issued capital	11	19,378,595	19,378,595
Profits reserve		3,169,776	3,520,118
Accumulated losses		(8,095,740)	(6,610,992)
TOTAL EQUITY		14,452,631	16,287,721

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 31 December 2016

	Note	Issued capital	Profits reserve	Accumulated losses	Total
		\$	\$	\$	\$
BALANCE AT 1 JULY 2015		19,293,706	677,596	(3,545,165)	16,426,137
Profit for the half year		-	-	2,512,128	2,512,128
Profits reserve transfer		-	2,512,128	(2,512,128)	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the half year		-	2,512,128	-	2,512,128
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	11	40,432	-	-	40,432
Dividend paid	12	-	(373,997)	-	(373,997)
BALANCE AT 31 DECEMBER 2015		19,334,138	2,815,727	(3,545,165)	18,604,700
BALANCE AT 1 JULY 2016		19,378,595	3,520,118	(6,610,992)	16,287,721
Loss for the half year		-	-	(1,825,890)	(1,825,890)
Other comprehensive income		-	-	367,874	367,874
Profits reserve transfer		-	26,732	(26,732)	-
Total comprehensive loss for the half year		-	26,732	(1,484,748)	(1,458,016)
Transactions with owners in their capacity as owners:					
Shares issued under dividend reinvestment plan	11	50,131	-	-	50,131
Dividend paid	12	-	(377,074)	-	(377,074)
BALANCE AT 31 DECEMBER 2016		19,428,726	3,169,776	(8,095,740)	14,502,762

The accompanying notes form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

for the half year ended 31 December 2016

	31 Dec 16	31 Dec 15
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	33,561	7,889
Interest received	8,204	54,342
Other income received	44,981	45,013
Payments to suppliers and employees	(933,145)	(1,082,521)
Sale/Redemption of financial assets at fair value through profit or loss	4,807,181	14,017,304
Purchase of financial assets at fair value through profit or loss	(2,989,308)	(2,979,671)
NET CASH PROVIDED BY OPERATING ACTIVITIES	971,474	10,062,356
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of Associate entity	-	(120,459)
Investment in Associate entity	-	(2,890,442)
Payments for intangible assets	(77,934)	-
NET CASH USED IN INVESTING ACTIVITIES	(77,934)	(3,010,901)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(322,243)	(329,119)
Return of capital	(60)	(178)
NET CASH USED IN FINANCING ACTIVITIES	(322,303)	(329,297)
NET INCREASE IN CASH HELD	571,237	6,722,158
Cash and cash equivalents at beginning of financial year	1,344,723	135,674
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL HALF YEAR	1,915,960	6,857,832

The accompanying notes form part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The half year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half year financial statements do not include notes of the type normally included in the annual financial statements and should be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2016 to the date of this report.

Basis of Preparation

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

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Consolidated Entity's financial statements for the financial year ended 30 June 2016.

Adoption of new Accounting Policy

The Consolidated Entity has adopted a new Accounting Policy pursuant to Accounting Standard AASB 5 (Non-Current Assets Held for Sale and Discontinued Operations):

Non-Current Assets Classified As Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

2. REVENUE

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

Revenue

Investment

Dividend revenue	33,561	7,889
Interest revenue	12,611	56,099
	46,172	63,988

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

2. REVENUE (continued)	31 Dec 16	31 Dec 15
	\$	\$
Other		
Net gain on financial assets at fair value through profit or loss	-	4,115,526
Other income	10,240	45,013
	<u>56,412</u>	<u>4,224,527</u>

3. EXPENSES

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	644,819	-
Share of Associate entity's loss	-	101,507
Provision for doubtful debt - convertible note	-	132,782
Software development expenses		
Amortisation of software development assets	33,925	-
Write-off of software development costs	352,813	64,216
Other software development expenses	402,757	443,452
Investment expenses		
Management fees	1,261	4,637
Brokers fees	10,168	54,450
Subscriptions	6,818	6,673
Other investment expenses	289	550
Occupancy expenses	20,193	18,407
Corporate expenses		
ASX fees	32,912	33,568
Share registry	13,377	16,628
Other corporate expenses	3,853	2,570
Finance expenses	3,080	3,498
Administration expenses		
Salaries, fees and employee benefits	178,298	165,426
Performance Bonus Scheme payment	-	364,400
Accounting, taxation and related administration	69,579	80,183
Office administration	58,513	36,917
Audit	7,150	13,835
Legal fees	18,408	135,276
Travel, accommodation and incidentals	5,498	1,726
Insurance	7,527	7,970
Depreciation	2,919	4,069
Other administration expenses	8,145	19,659
	<u>1,882,302</u>	<u>1,712,399</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

4. SEGMENT INFORMATION

31 Dec 16	Software			Total
	Investments	development	Corporate	
Segment revenues	\$	\$	\$	\$
Revenue	46,172	-	-	46,172
Other	-	10,068	172	10,240
Total segment revenues	46,172	10,068	172	56,412
Net loss on financial assets at fair value through profit or loss	644,819	-	-	644,819
Software development expenses	-	747,514	3,675	751,189
Investment expenses	18,197	-	-	18,197
Administration expenses	-	-	393,351	393,351
Other expenses	-	2,386	72,360	74,746
Total segment loss	(616,844)	(739,832)	(469,214)	(1,825,890)
Segment assets				
Cash and cash equivalents	1,461,439	-	454,521	1,915,960
Financial assets	9,149,443	-	-	9,149,443
Non-current asset held for sale	3,258,316	-	-	3,258,316
Intangible assets	-	295,675	-	295,675
Other assets	-	7,194	261,855	269,049
Total segment assets	13,869,198	302,869	716,376	14,888,443
31 Dec 15				
Segment revenues				
Revenue	68,106	1,134	17	69,257
Other	4,115,526	39,744	-	4,155,270
Total segment revenues	4,183,632	40,878	17	4,224,527
Software development expenses	-	507,668	-	507,668
Investment expenses	66,310	-	-	66,310
Administration expenses	-	-	825,392	825,392
Other expenses	-	2,980	310,049	313,029
Total segment profit/(loss)	4,117,322	(469,770)	(1,135,424)	2,512,128
30 Jun 16				
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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

4. SEGMENT INFORMATION (continued)

Description of segments

- (a) Investments comprise securities listed on the Australian Securities Exchange (ASX), units in unlisted managed funds and other liquid financial assets;
- (b) Software Development relates to the software, Internet and applications development division; and
- (c) Corporate items comprise corporate assets and operations.

Liabilities

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

5. EARNINGS/(LOSS) PER SHARE	31 Dec 16	31 Dec 15
	cents	cents
Basic and diluted earnings/(loss) per share	(1.93)	3.35
The following represents the profit/(loss) and weighted average number of shares used in the EPS calculations:	31 Dec 16	31 Dec 15
	\$	\$
Net profit/(loss) after income tax	(1,458,016)	2,512,128
	Shares	Shares
Weighted average number of ordinary shares	75,597,771	74,948,397

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

6. CASH AND CASH EQUIVALENTS	31 Dec 16	30 Jun 16
	\$	\$
Cash at bank and in hand	<u>1,915,960</u>	<u>1,344,723</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Current

Listed investments at fair value	5,184,903	6,891,808
Units in unlisted CBG Australian Equities Fund (Wholesale) (CBG Fund)	3,964,540	4,820,531
	<u>9,149,443</u>	<u>11,712,339</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

8. NON-CURRENT ASSET HELD FOR SALE	31 Dec 16	30 Jun 16
	\$	\$
Cost of investment	2,890,442	-
Revaluation gain upon change of classification from investment in Associate entity	525,534	-
Provision for tax on gain upon revaluation	(157,660)	-
Investments at fair value (net of tax)	<u>3,258,316</u>	<u>-</u>

With effect on 31 December 2016, the Directors determined to change the accounting treatment/classification of its 36.16% interest (52,553,493 shares) in Strike Resources Limited (ASX:SRK) (30 June 2016: 36.16%; 52,553,493 shares) from being an investment in an Associate entity (accounted under Accounting Standard AASB 128) to being an investment in a Non-Current Asset Held For Sale (accounted under AASB 5). This decision was made as a consequence of the change in Strike's circumstances pertaining to their announcement on 14 December 2016 that Strike had entered into a conditional sale agreement with a subsidiary of Chinese industrial and financial group Zhongrong Xinda Group Co. Ltd. to sell its high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru for US\$10 million (subject to completion of due diligence (by 30 April 2017), execution of final documentation and compliance with all regulatory requirements).

9. 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 31 December 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).

31 Dec 16

Financial assets at fair value through profit or loss:	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Listed investments at fair value	5,184,903	-	-	5,184,903
Units in unlisted CBG Fund	-	3,964,540	-	3,964,540
Non-current asset held for sale	3,415,977	-	-	3,415,977
	<u>8,600,880</u>	<u>3,964,540</u>	<u>-</u>	<u>12,565,420</u>

30 Jun 16

Financial assets at fair value through profit or loss:	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Listed investments at fair value	6,891,808	-	-	6,891,808
Units in unlisted CBG Fund	-	4,820,531	-	4,820,531
	<u>6,891,808</u>	<u>4,820,531</u>	<u>-</u>	<u>11,712,339</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

9. 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 Fund is determined from unit price information provided by the 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

		31 Dec 16	30 Jun 16
Financial assets	Note	\$	\$
Cash and cash equivalents	6	1,915,960	1,344,723
Receivables		67,100	98,568
		<u>1,983,060</u>	<u>1,443,291</u>
Financial liabilities			
Payables		<u>(42,465)</u>	<u>(124,039)</u>

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

10. INTANGIBLE ASSETS

	31 Dec 16	30 Jun 16
	\$	\$
Opening balance	604,479	639,468
Software development costs	77,934	139,829
Write-off of software development costs	(352,813)	(33,030)
Amortisation of software development assets	(33,925)	(141,788)
Closing balance	<u>295,675</u>	<u>604,479</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

11. ISSUED CAPITAL	31-Dec-16	30-Jun-16	31 Dec 16	30 Jun 16
	Number	Number	\$	\$
Fully paid ordinary shares	75,773,025	75,414,727	<u>19,428,726</u>	<u>19,378,595</u>
			Issue price	Total
			cents	\$
Movement in ordinary shares	Date of Issue		per share	of shares
At 1 July 2015				74,800,211
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				<u>75,414,727</u>
				<u>19,378,595</u>
At 1 July 2016				75,414,727
Issue under dividend reinvestment plan	29-Sep-16	0.1399	358,298	50,131
At 31 December 2016				<u>75,773,025</u>
				<u>19,428,726</u>

Issue under dividend reinvestment plan

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

12. DIVIDENDS

	Paid On	31 Dec 16	31 Dec 15
		\$	\$
Dividends paid during the financial half year:			
0.50 cent per share fully franked dividend	25-Sep-15	-	373,997
0.50 cent per share fully franked dividend	29-Sep-16	377,074	-
		<u>377,074</u>	<u>373,997</u>
Dividends paid in cash or satisfied by issue of shares under the DRP:			
Paid in cash		326,943	333,565
Satisfied by issue of shares under DRP		50,131	40,432
		<u>377,074</u>	<u>373,997</u>
Franking credits available for subsequent periods based on a tax rate of 30% (2015: 30%)		<u>1,648,174</u>	<u>1,974,599</u>

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

- Franking credits that will arise from the receipt of dividends recognised as receivables at balance date;
- Franking credits that will arise from the payment of the amount of the provision for income tax; and
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the half year ended 31 December 2016

13. CONTINGENCIES

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

14. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) The Directors have declared payment of a 0.5 cent per share fully-franked dividend. The record date for determining entitlements is 24 March 2017 with payment expected to be made on or about 31 March 2017. 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 half year that significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' DECLARATION

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

In the opinion of the Directors:

- (1) The financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance for the half year ended on that date; and
 - (b) complying with Accounting Standards [AASB 134](#) "Interim Financial Reporting", *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (2) There are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



Farooq Khan
Chairman



Simon Cato
Non-Executive Director and
Chairman of the Audit Committee

28 February 2017



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Independent Review Report to the Members of Bentley Capital Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Bentley Capital Limited for the half-year ended 31 December 2016.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* 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.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2016 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Bentley Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

- giving a true and fair view of the consolidated financial position as at 31 December 2016 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Auditing

Graham R Swan
Partner

Dated 28th February 2017



Chartered Accountants

SECURITIES INFORMATION

as at 31 December 2016

DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	242	121,670	0.161 %
1,001	-	5,000	619	1,905,223	2.514 %
5,001	-	10,000	347	2,514,398	3.318 %
10,001	-	100,000	488	13,595,991	17.943 %
100,001	-	and over	74	57,635,743	76.064 %
TOTAL			1,770	75,773,025	100 %

UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	3,703	617	990,248	1.307 %
3,704	-	over	1,153	74,782,777	98.693 %
TOTAL			1,770	75,773,025	100 %

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 31 December 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)

SECURITIES INFORMATION

as at 31 December 2016

TOP TWENTY 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	1.97%
6	QUESTE COMMUNICATIONS LIMITED	1,300,000	1.72%
7	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE	900,000	1.19%
8	MR PAUL JOHN TYS & MRS LORIS ELIZABETH TYS	858,607	1.13%
9	TADMARO PTY LIMITED	707,546	0.93%
10	AVANTEOS INVESTMENTS LIMITED	672,999	0.89%
11	EXTRA EDGE PTY LTD	650,000	0.86%
12	MON NOMINEES PTY LTD	599,335	0.79%
13	BOND STREET CUSTODIANS LIMITED	559,648	0.74%
14	KJ & ML GILROY PTY LTD	500,000	0.66%
15	INGARSBY PTY LTD	500,000	0.66%
16	MR JOHN STEPHEN CALVERT	446,914	0.59%
17	MR MICHAEL JOHN BLAYNEY	413,028	0.55%
18	MR PAUL GERARD GRAFEN	392,630	0.52%
19	MRS CUIXIAN WANG	392,500	0.52%
20	MR GABRIEL BERGER	370,690	0.49%
TOTAL		48,546,763	64.08%