



# Bentley Capital Limited

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## HALF YEAR REPORT

31 December 2009

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THIS DOCUMENT SHOULD BE READ IN CONJUNCTION WITH THE  
30 JUNE 2009 ANNUAL REPORT OF THE COMPANY  
LODGED ON ASX ON 23 OCTOBER 2009



ASX Code: BEL

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

**Registered Office:**

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30-36 Bay Street  
Double Bay, New South Wales 2028

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**Company Secretarial Office:**

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EMAIL US AT: [info@bel.com.au](mailto:info@bel.com.au)

## CORPORATE DIRECTORY

### BOARD

Farooq Khan	Chairman
William Johnson	Executive Director
Simon K. Cato	Non- Executive Director
Peter P. Simpson	Non- Executive Director
Christopher B. Ryan	Non- Executive Director

### COMPANY SECRETARY

Victor P.H. Ho

### REGISTERED OFFICE

Suite 202, Angela House  
30-36 Bay Street  
Double Bay New South Wales 2028  
Telephone: (02) 9363 5088  
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### CHAIRMAN'S AND COMPANY SECRETARIAL OFFICE

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### AUDITORS

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Investor Web: [www.advancedshare.com.au](http://www.advancedshare.com.au)

### STOCK EXCHANGE

Australian Securities Exchange  
Sydney, New South Wales

### ASX CODE

BEL

# 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 2009 to 31 December 2009
Previous Corresponding Period:	1 July 2008 to 31 December 2008
Balance Date:	31 December 2009
Company:	Bentley Capital Limited ( <b>Bentley</b> or <b>BEL</b> )
Consolidated Entity:	Previous Corresponding Period: BEL did not have any controlled entities  Current Reporting Period: BEL and controlled entity: (1) Scarborough Equities Pty Ltd (formerly Scarborough Equities Limited) ( <b>Scarborough</b> or <b>SCB</b> ) a wholly owned subsidiary acquired upon the completion of a scheme of arrangement merger on 13 March 2009.

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

	CONSOLIDATED December 2009 \$'000	COMPANY December 2008 \$'000	% CHANGE	UP / DOWN
Unrealised gain on financial assets held at fair value through profit or loss	5,922	-	100%	Up
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets held at fair value through profit or loss	-	2,039	100%	Down
Other investment related income	153	321	52%	Down
<b>Total revenue</b>	<b>6,075</b>	<b>2,361</b>	<b>157%</b>	<b>Up</b>
Realised loss on financial assets at fair value through profit or loss	-	2,165	100%	Down
Foreign exchange losses	151	668	77%	Down
Investment manager's fees	-	156	100%	Down
Other corporate and administration expenses	448	250	79%	Up
<b>Total expenses</b>	<b>599</b>	<b>3,240</b>	<b>82%</b>	<b>Down</b>
<b>Profit/(Loss) before tax</b>	<b>5,476</b>	<b>(879)</b>	<b>723%</b>	<b>Loss Down</b>
Income tax benefit / (expense)	-	(901)	100%	Expense Down
<b>Profit/(Loss) after tax attributable to members</b>	<b>5,476</b>	<b>(1,780)</b>	<b>408%</b>	<b>Loss Down</b>
Basic and diluted gain/(loss) per share (cents)	7.65	(4.43)	273%	Loss Down
	CONSOLIDATED December 2009	COMPANY June 2009		
Pre-Tax NTA backing per share (cents)	45.37	38.76	17%	Up
Post-Tax NTA backing per share (cents)	45.37	38.76	17%	Up

### Brief Explanation of Results

Bentley's 6 month after tax net tangible asset (NTA) performance to 31 December 2009 was +17%. This compares with the performance of the ASX All Ordinaries Accumulation Index of +26% over the same period.

# APPENDIX 4D HALF YEAR REPORT

## Dividends

The Company will be paying an interim dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking
One cent per share	8 March 2010	15 March 2010	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.

The Company has also paid the following special dividend during the financial half year:

Dividend Rate	Record Date	Payment Date	Franking	DRP Issue Price
One cent per share	28 October 2009	30 October 2009	100% franked	\$0.2952

A copy of the Company's DRP rules and related documentation may be obtained from the Company or downloaded from the Company's website.

## Controlled Entities

The Company did not gain or lose control over entities during the Current Reporting Period.

## Associates and Joint Venture Entities

The Company did not have any interest in associates or joint venture entities during the Current Reporting Period.

For and on behalf of the Directors,



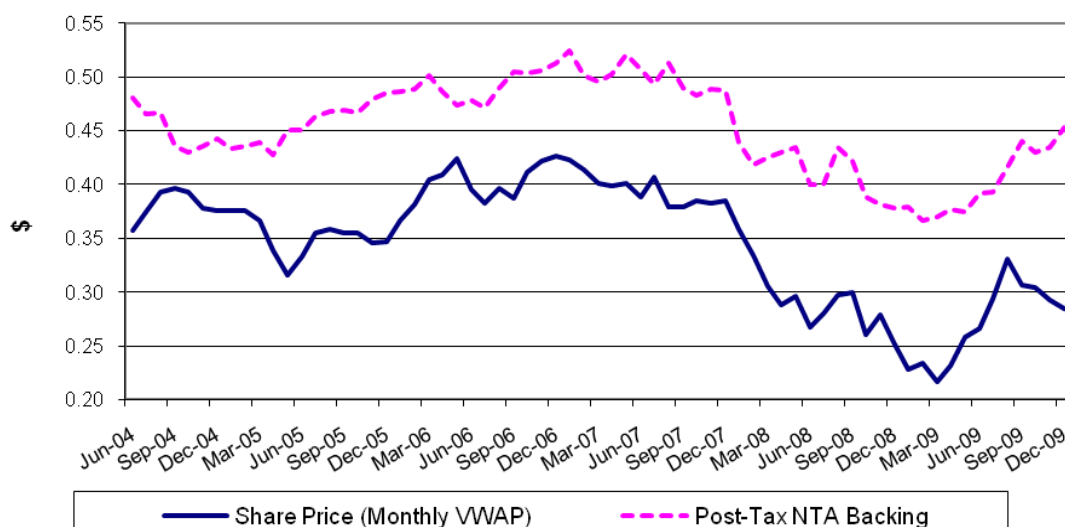
Date: 24 February 2010

Victor Ho

Company Secretary

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

## VWAP vs. NTA Backing per BEL share



Source: IRESS VWAP = volume weighted average BEL price for the month; NTA = net tangible asset backing at month end

# THE FSP EQUITIES LEADERS FUND

FSP Equities Management Limited (**FSP**) was appointed investment manager of Bentley subsidiary, Scarborough Equities Pty Ltd (formerly Scarborough Equities Limited) (**Scarborough**) in December 2004. FSP is majority owned by FSP Group Pty Ltd, a subsidiary of ING Australia Limited.

As Investment Manager, FSP invests Scarborough's funds directly in its FSP Equities Leaders Fund (**FSP Fund**). The FSP Fund is a wholesale fund not open to retail investors. The investment management team is led by Mr Ronni Chalmers.

Bentley is able to redeem its investment in the FSP Fund at short notice and there is no long term investment management agreement in place with FSP, which provides the Company with considerable flexibility in its commercial undertakings.

The FSP Fund information in this section is based on advice received from FSP.

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.

The portfolio is divided into two parts, being an equity and cash portfolio. There is no minimum equity weighting. 75% of the equity portfolio is targeted to companies contained within the S&P/ASX 200 index. The remaining 25% of the equity portfolio is invested in companies outside of the S&P/ASX 200 index.

As at 31 December 2009, the Bentley group had a total of \$30.6 million (approximately 94% of Bentley's net assets) invested in the FSP Fund (30 June 2009: \$12.8 million).

The 6 month net performance of the FSP Fund to 31 December 2009 was +30.4%. The benchmark performance (S&P/ASX 200 Accumulation Index) was +25.6% over the same period.

## FSP Fund details as at 31 December 2009

- The equity portfolio weighting was 99.2% (30 June 2009: 96.9%);
- 78.9% of the equity portfolio was invested in companies contained within the S&P/ASX 200 Index (30 June 2009: 96.92%) with the balance of 21.1% invested in companies outside of the S&P/ASX 200 Index (30 June 2009: 3.08%); and
- The equity portfolio contained 60 holdings (30 June 2009: 51 holdings).

## FSP Fund - Performance

Returns To:	1mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
31 December 2009	(%)	(%)	(%)	(%)	(% p.a.)	(% p.a.)	(% p.a.)
FSP Fund	4.2%	6.4%	30.4%	42.3%	-14.1%	-3.6%	11.8%
ASX/ S&P 200 Accumulation Index	3.7%	3.4%	25.6%	37.0%	-8.2%	-0.7%	9.5%

Returns To:	1mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
31 January 2010	(%)	(%)	(%)	(%)	(% p.a.)	(% p.a.)	(% p.a.)
FSP Fund	-5.7%	0.0%	14.6%	38.5%	-10.9%	-6.6%	10.8%
ASX/ S&P 200 Accumulation Index	-6.2%	-0.9%	9.8%	35.2%	-5.8%	-3.4%	8.5%

# THE FSP EQUITIES LEADERS FUND

## FSP Fund Top 20 Holdings and Sector Weights

Top 20 Holdings		Fund Weight
ASX Code	Asset Name	31-Dec-09
BHP	BHP BILLITON LIMITED	10.5%
WBC	WESTPAC BANKING CORPORATION	8.7%
CBA	COMMONWEALTH BANK	7.7%
FLT	FLIGHT CENTRE LTD	4.1%
JBH	JB HI-FI LIMITED	3.9%
SMX	SMS MANAGEMENT & TECHNOLOGY	3.8%
NWH	NRW HOLDINGS LIMITED	2.8%
WOR	WORLEY PARSONS LIMITED	2.7%
HST	HASTIE GROUP LIMITED	2.5%
OST	ONESTEEL LTD	2.5%
OSH	OIL SEARCH LIMITED	2.3%
STO	SANTOS LTD	2.1%
AAX	AUSENCO LTD	2.1%
OKN	OAKTON LIMITED	2.0%
UGL	UGL LIMITED	1.9%
NCM	NEWCREST MINING LIMITED	1.9%
AXA	AXA ASIA PACIFIC HOLDINGS	1.9%
REA	REA GROUP LIMITED	1.9%
BTT	BT INVESTMENT MANAGEMENT LTD	1.9%
BSL	BLUESCOPE STEEL LIMITED	1.8%

Sector Weights	Fund Weight
	31-Dec-09
Materials	26.1%
Financials(ex-Property)	22.1%
Industrials	14.5%
Energy	11.1%
Consumer Staples	1.6%
Consumer Discretionary	16.1%
Health Care	0.5%
Utilities	0.0%
Telecommunication Services	1.0%
Information Technology	6.1%
Property Trusts	0.0%
Cash/Hybrids/Fixed Interest	0.8%

Top 20 Holdings		Fund Weight
ASX Code	Asset Name	31-Jan-10
BHP	BHP BILLITON LIMITED	10.3%
WBC	WESTPAC BANKING CORPORATION	8.8%
CBA	COMMONWEALTH BANK OF AUSTRALIA	8.0%
FLT	FLIGHT CENTRE LTD	4.7%
SMX	SMS MANAGEMENT & TECHNOLOGY LTD	4.3%
JBH	JB HI-FI LIMITED	3.7%
NWH	NRW HOLDINGS LIMITED	2.7%
HST	HASTIE GROUP LIMITED	2.6%
MIN	MINERAL RESOURCES LIMITED	2.5%
OST	ONESTEEL LTD	2.5%
OKN	OAKTON LIMITED	2.3%
BTT	BT INVESTMENT MANAGEMENT LTD	2.1%
OSH	OIL SEARCH LIMITED	2.1%
AXA	AXA ASIA PACIFIC HOLDINGS LIMITED	2.0%
AAX	AUSENCO LTD	2.0%
REA	REA GROUP LIMITED	1.9%
UGL	UGL LIMITED	1.9%
NCM	NEWCREST MINING LIMITED	1.8%
RFG	RETAIL GROUP FOOD LIMITED	1.8%
AGO	ATLAS IRON LIMITED	1.7%

Sector Weights	Fund Weight
	31-Jan-10
Materials	28.8%
Financials(ex-Property)	23.0%
Industrials	15.2%
Energy	5.1%
Consumer Staples	1.8%
Consumer Discretionary	16.3%
Health Care	0.2%
Utilities	0.0%
Telecommunication Services	1.5%
Information Technology	7.0%
Property Trusts	0.0%
Cash/Hybrids/Fixed Interest	1.2%

# FSP EQUITIES LEADERS FUND REPORT



## The FSP Equities Leaders Fund

15 October 2009

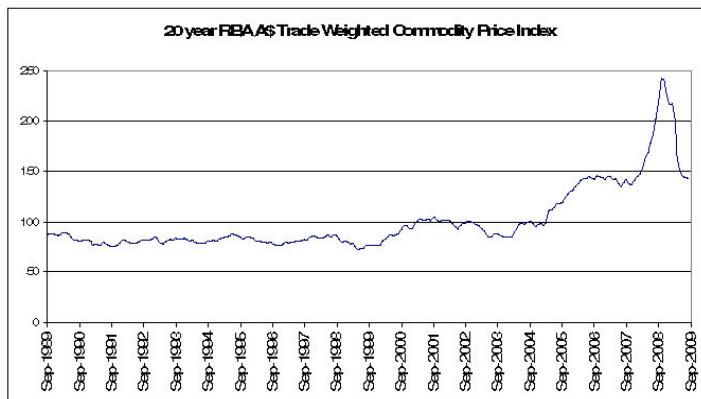
The Directors of Bentley Capital Limited  
Suite 202, 30-36 Bay Street  
Double Bay NSW 2028

We are pleased to report that over the three months to 30 September 2009, the FSP Equities Leaders Fund produced a net return of 22.5%. This exceeded the return of the S&P/ASX 200 Accumulation Index of 21.5% over the same period.

For the calendar year to date (nine months to 30 September) the Fund has returned a net 33.7%, which compares favourably with a return for the S&P/ASX 200 Accumulation Index of 32.5%.

The Australian equity market rallied strongly in the September quarter as investors began to look through recently depressed earnings to price companies on the basis of longer term earnings expectations. The catalyst for this has been improving global economic data, in which the relative strength of the Asia Pacific region has stood out. In its October World Economic Outlook, the IMF again upgraded its forecast for 2010 global GDP growth. The IMF is now forecasting global growth of 3.1% in 2010, up from a July forecast of 2.5%. The forecast for 2010 for China was upgraded from 8.5% to 9.0%, and this follows a resilient 2009 year in which China is expected to record 8.5% growth.

In October the Reserve Bank of Australia raised the official cash rate by 0.25% to 3.25%. The RBA Governor, Glenn Stevens, commented that relative to the major economies "prospects for Australia's Asian trading partners appear to be noticeably better. Growth in China has been very strong, which is having a significant impact on other economies in the region and on commodity markets". Australia's close trading relationship with the fast growing Asian economies was highlighted as a key reason in the RBA's decision to raise interest rates. Current commodity prices are very supportive for the Australian resources sector as highlighted by the chart below, with Australian dollar prices at the end of September 68% above the 15 year average to March 2004.



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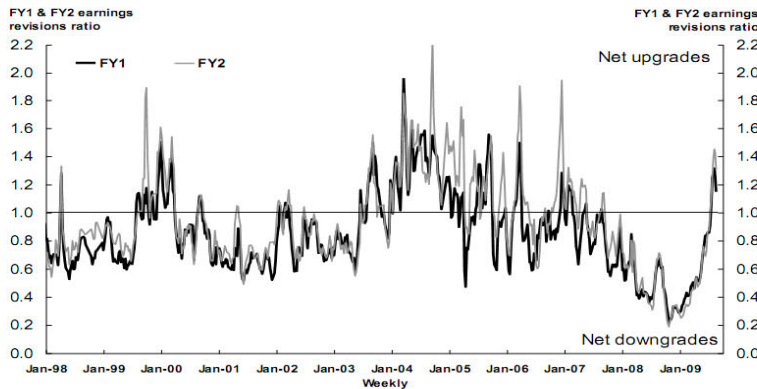
# FSP EQUITIES LEADERS FUND REPORT

Source: Reserve Bank of Australia

The IMF comments that short term global growth will continue to benefit from stimulatory monetary and fiscal policies and from a restocking phase, while tight credit conditions are expected to continue to restrain the pace of recovery in the US, Europe and the UK. Banks in these regions have benefited from capital raisings, while the loan loss cycle continues to put pressure on balance sheets. This contrasts with the position of the Australian banks, where analysts have begun to focus on the potential deployment of excess capital. For example, UBS and Credit Suisse analysts are now forecasting share buy backs in FY2011.

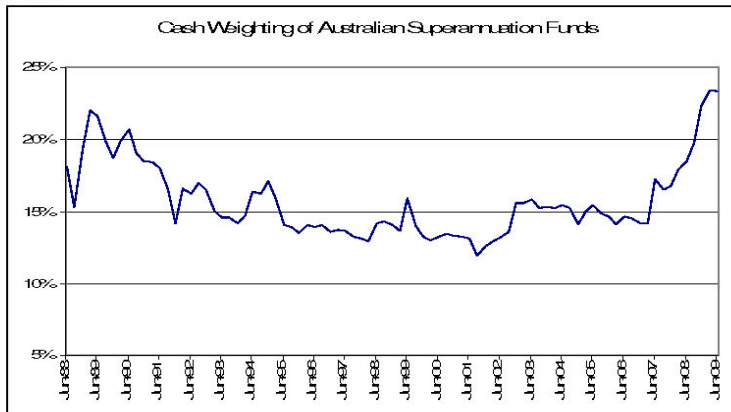
In Australia, a focus of investors over the quarter was the August reporting season, and in particular the outlook comments for this financial year. Positively in August, consensus analyst earnings forecasts returned to upgrades after more than one year of negative revisions. The strength of the earnings upgrade cycle is expected to be a key driver of share prices going forward.

Market revisions ratio (above 1.0 indicates upgrades exceeding downgrades)



Source: IBES, Macquarie Research, September 2009

A positive for the Australian market is the latent demand for equities from the current very high cash weighting of Australian superannuation funds. This weighting has increased from an average of 15.3% in the 20 years to March 2008 to 23.3% as at the end of June 2009, as shown in the chart below.



Source: Australian Bureau of Statistics

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# FSP EQUITIES LEADERS FUND REPORT

## Portfolio

The Fund continues to invest where high quality companies are trading at prices which we consider to represent long term value. This is reflected in the performances of a number of the Fund's largest holdings over the quarter.

Flight Centre (3.6% of the portfolio as at 30 September) gained 73% in the three months to 30 September. The company reported a notable turnaround in sales for the Australian business in the fourth quarter and a much improved result from the US business. Flight Centre will benefit from its operating leverage if these trends continue, and management guided to 25% - 35% growth in trading profit for FY2010.

Hastie Group (2.0% of the Fund) returned 80% in the three months to 30 September. Hastie is the leading provider in Australia of essential building services, in particular the design, installation and maintenance of heating, ventilation and air-conditioning systems. Hastie has been able to capitalise on its leading position to win market share and maintain a strong order book, while a high weighting to government expenditure has supported its UK business. Hastie grew earnings per share by 9% over FY2009.

NRW Holdings (1.9% of the portfolio at 30 September) gained 72% in the quarter. The company produced a strong result for the 2009 financial year in difficult conditions, growing earnings per share by 13%. NRW is well placed to benefit from a positive outlook for Western Australian iron ore capital expenditure in particular, and has guided to 20% revenue growth for the coming year.

SMS Management (2.8% weight) and Oakton (1.6% weight) returned 41% and 53% respectively in the three months to 30 September. SMS and Oakton are IT services companies which have benefited from a resumption of growth in business IT spending. A number of customers had deferred work over the period of low business confidence that persisted throughout 2008, while much of this work eventually becomes necessary.

The Fund has benefited from a zero weight in Telstra, which underperformed as the government announced reforms to existing telecommunications regulations. As a result Telstra will be encouraged to "voluntarily" structurally separate its retail and wholesale arms, or the government will impose legislation to functionally separate the company. The Fund also has no exposure to the listed property trust or infrastructure sectors.

## Top 15 holdings as at 30 September 2009

	ASX code	Stock name	Fund weight - 30 June 2009
1	BHP	BHP BILLITON	12.1%
2	WBC	WESTPAC	9.9%
3	CBA	COMMONWEALTH BANK	8.0%
4	NCM	NEWCREST MINING	4.0%
5	JBH	JB HI-FI	3.7%
6	FLT	FLIGHT CENTRE	3.6%
7	WOR	WORLEY PARSONS	2.9%
8	SMX	SMS MANAGEMENT	2.8%
9	STO	SANTOS	2.7%
10	OST	ONE STEEL	2.4%
11	OSH	OIL SEARCH	2.3%
12	WPL	WOODSIDE PETROLEUM	2.2%
13	UGL	UNITED GROUP	2.2%
14	HST	HASTIE GROUP	2.0%
15	NWH	NRW HOLDINGS	1.9%
Total			62.6%



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# FSP EQUITIES LEADERS FUND REPORT

## Performance history

	Fund net return*
1 year to 30 September 2009	7.4%
1 year to 30 September 2008	-37.0%
1 year to 30 September 2007	42.6%
1 year to 30 September 2006	19.2%
1 year to 30 September 2005	29.7%
1 year to 30 September 2004	28.1%
1 year to 30 September 2003	24.0%
Since inception (9 April 2002) cumulative	122.5%
Since inception (9 April 2002) annualised	11.3%

Yours sincerely,



Ronni Chalmers  
Investment Director

### Important information and disclaimer:

Performance is influenced by market volatility over time. Past performance is not necessarily indicative of future performance. Neither FSP Equities Management Pty Limited nor any related corporation guarantees the repayment of capital or the performance of the FSP Equities Leaders Fund.

The contents of this report have been prepared without taking into account your individual objectives, financial situation or needs. Because of that, before acting you should consider the appropriateness of what is included here, having regard to your own objectives, financial situation and needs and see your qualified financial adviser before making any investment decision.

This report may include statements (including opinions) about particular financial products or classes of financial products in which the FSP Equities Leaders Fund is or has invested – these statements are not intended to influence any person in making a decision in relation to these financial products or classes of financial products and hence do not constitute financial product advice.

\* Performance calculations provided by White Outsourcing, a subsidiary of Moore Stephens Sydney, which is a member firm of Moore Stephens International Limited. The returns are net of all fees, pre-tax and assume DRP.



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# FSP EQUITIES LEADERS FUND REPORT



## The FSP Equities Leaders Fund December Quarter 2009

The Directors of Bentley Capital Limited  
Suite 202, 30-36 Bay Street  
Double Bay NSW 2028

27 January 2010

2009 was a strong year for the FSP Equities Leaders Fund, with a net return of 42.3%, 5.2% ahead of its benchmark. The ASX200 index finished the year at 4911, still 28% below its all time high of 6852 reached on 1 November 2007.

In the fourth quarter of 2009 the Fund returned a net 6.4%, 3.0% ahead of its benchmark.

The Fund benefited in 2009 from its stock selection across a number of industry sectors and from a reduction in the cash weighting of the Fund early in the year. On 31 December 2008, 23.8% of the Fund was held in cash and this weight was reduced to 11.6% as at 31 March 2009 and 2.2% by 30 June. The Fund is now essentially fully invested.

Australia is one of only two developed countries to have avoided a recession in 2009 (together with South Korea), thanks to its timely and forceful policy response, a robust financial system and strength in commodity exports, particularly to China.

Australian companies nevertheless experienced falls in their reported earnings over the year. Assuming the global economic recovery continues, this provides a healthy opportunity for earnings growth in 2010. This will be assisted by operating leverage, given a focus on cost cutting over the past 18 months. In 2009, iron ore and coal miners saw large reductions in annual benchmark prices, however current spot market prices suggest a material increase in the upcoming price settlements (see chart overleaf). The new benchmark prices will take effect as of 1 April 2010.

### Performance history

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year total
Figures shown in %													
2009	-3.1	-0.7	4.9	2.8	2.2	2.9	7.3	6.7	7.0	0.4	1.7	4.2	42.3%
2008	-12.3	0.2	-5.4	4.1	0.8	-7.8	-5.7	1.7	-16.3	-17.7	-5.0	2.7	-48.2%
2007	3.6	0.2	3.9	4.5	2.7	2.3	-0.2	-3.2	8.7	5.0	-3.7	-3.6	21.4%
2006	1.2	3.2	3.9	4.4	-2.9	-0.0	-0.3	2.9	4.8	6.1	3.3	4.6	35.5%
2005	0.8	0.7	-0.9	-3.8	2.5	1.9	5.5	2.1	4.7	-3.4	2.2	2.2	15.1%
2004	0.9	2.3	2.7	-2.8	0.6	2.6	2.1	2.3	3.9	6.3	5.4	1.5	31.2%
2003	-2.2	-6.9	0.4	4.6	-1.8	4.0	7.5	11.2	6.7	6.9	-1.4	5.4	38.3%
2002				0.7	1.2	-2.2	-4	2.6	-4.4	1.1	-0.6	-0.9	-6.5%

### Return since inception

	Fund	S&P/ASX 200 Accumulation Index
Net return (annualised)	11.8%	9.5%

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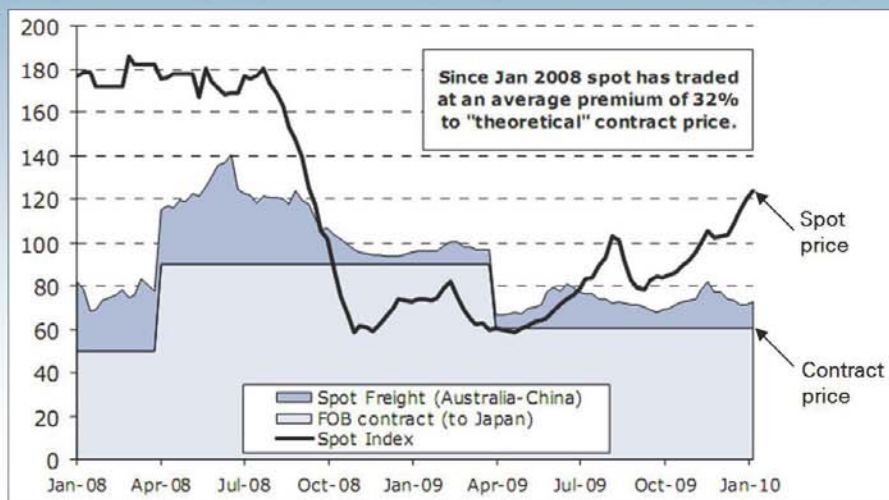
# FSP EQUITIES LEADERS FUND REPORT



## The FSP Equities Leaders Fund

### Market price of iron ore compared to the annual benchmark price

(US\$ per tonne including freight to China. The freight component is shown as the darker grey region)



Source: GSJBW

### Market commentary

At the time of writing, the Australian market is trading on a one year forward earnings multiple of 15.3x<sup>1</sup>. This is only slightly above the 15 year average multiple of 15.0x<sup>2</sup> and provides reasonable scope for positive equity market returns if the corporate earnings recovery cycle develops as expected. Based on earnings reported in the previous 12 months, Australian listed company earnings troughed in late 2009 25% below their high<sup>3</sup>. Earnings per share fell further, by 31%, due to the dilutive impact of capital raisings.

The principal headwinds for earnings relate to factors external to Australia. There continues to be a strain on the capital of global financial institutions, which is limiting the provision of credit. Secondly, governments of the major advanced economies will need to bring fiscal policies onto a sustainable path to deal with elevated sovereign debt levels.

1. UBS Investment Research, as at 8 January 2010  
2. UBS Investment Research, 15 years to 8 January 2010.  
3. UBS Investment Research.

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# FSP EQUITIES LEADERS FUND REPORT



## The FSP Equities Leaders Fund

Despite these factors, in the IMF's January 2010 World Economic Outlook update, the organisation increased its forecast for global growth in 2010 to 3.9%, which compares to its forecast three months ago of 3.1%.

For Australia's largest trading partner, China, recent economic performance has been robust, with 10.7% GDP growth in the December quarter of 2009, driving demand for Australian exports of raw materials. The value of China's total imports in December were up 56% on the same month in 2008. The IMF comments that China has the capacity to sustain a high rate of growth, while the major downside risk is the regulatory response as the government seeks to limit the risk of inflation and of asset bubbles. China's central bank recently increased reserve requirements for many Chinese banks, which is anticipated to have an impact on growth, but is not viewed as inconsistent with current expectations for GDP growth. In its January 2010 update, the IMF has forecast 10% growth for China in 2010.

### Fund commentary

In the December quarter the Fund's largest holding, BHP Billiton (10.5% of the Fund as at 31 December), gained 14.3% as metal prices and iron ore in particular recorded strong gains. Metals and Mining was the best performing sector of the market in the quarter.

NRW Holdings (2.8% weight), gained 25.8% in the three months to 31 December. NRW has benefited from the improving outlook for the iron ore sector, as spending on a number of mining projects was revived in the quarter and NRW secured several material contract wins.

At the end of September the Fund held a 1.3% position in Axa Asia Pacific. This investment gained 50.1% in the quarter following takeover proposals received from AMP and National Australia Bank. National Australia Bank's offer of \$6.43 per share in cash, or a combination of cash and shares, has been recommended by the Axa Asia Pacific board in the absence of a superior proposal. We have maintained our holding and await further potential news flow.

REA Group (1.8% of the portfolio), owner of Realestate.com.au, gained 28.5% in the quarter. This business is the dominant online real estate service in Australia, with more than double the number of unique browsers of its closest competitor, and REA has recently extended this lead. Due to a large pricing differential between online and print advertising, REA has been able to secure strong growth in average revenue per real estate agency. The company also paid its first dividend, of 10 cents per share, following the 2009 financial year result.

Since the end of the year, the Fund has exited its position in WorleyParsons, which represented 2.7% of the portfolio as at December 31. WorleyParsons' share price had reached FSP's target price and the holding was sold for an average price above \$28, resulting in an approximate 100% return over the past 12 months.

**FSP Equities Management Limited** ABN 12 098 327 809 AFS Licence Number 246790  
Level 39 Australia Square 264-278 George St Sydney NSW 2000  
Tel: 61 2 9253 8500 Fax: 61 2 9253 8540

# FSP EQUITIES LEADERS FUND REPORT

 FSP Equities Management

A brighter future.

## The FSP Equities Leaders Fund

### Top 15 holdings as at 31 December 2009

	ASX code	Stock name	Fund weight
1	BHP	BHP BILLITON	10.5%
2	WBC	WESTPAC	8.7%
3	CBA	COMMONWEALTH BANK	7.7%
4	FLT	FLIGHT CENTRE	4.1%
5	JBH	JB HI-FI	3.9%
6	SMX	SMS MANAGEMENT	3.8%
7	NWH	NRW HOLDINGS	2.8%
8	WOR	WORLEYPARSONS	2.7%
9	HST	HASTIE GROUP	2.5%
10	OST	ONESTEEL	2.5%
11	OSH	OIL SEARCH	2.3%
12	STO	SANTOS	2.1%
13	AAX	AUSENCO	2.1%
14	OKN	OAKTON	2.0%
15	UGL	UNITED GROUP	1.9%
Total			59.5%

Yours sincerely,



**Ronni Chalmers**  
Investment Director

#### Important information and disclaimer:

Performance is influenced by market volatility over time. Past performance is not necessarily indicative of future performance. Neither FSP Equities Management Pty Limited nor any related corporation guarantees the repayment of capital or the performance of the FSP Equities Leaders Fund.

The contents of this report have been prepared without taking into account your individual objectives, financial situation or needs. Because of that, before acting you should consider the appropriateness of what is included here, having regard to your own objectives, financial situation and needs and see your qualified financial adviser before making any investment decision.

This report may include statements (including opinions) about particular financial products or classes of financial products in which the FSP Equities Leaders Fund is or has invested – these statements are not intended to influence any person in making a decision in relation to these financial products or classes of financial products and hence do not constitute financial product advice.

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# DIRECTORS' REPORT

The Directors present their Directors' Report on Bentley Capital Limited ABN 87 008 108 218 (**Company** or **Bentley** or **BEL**) and its controlled entity (the **Consolidated Entity**) for the financial half year ended 31 December 2009 (**Balance Date**).

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

Bentley has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year. Controlled entity is Scarborough Equities Pty Ltd ACN 061 287 045 (formerly Scarborough Equities Limited) (**Scarborough**), a wholly owned subsidiary acquired upon the completion of a scheme of arrangement merger on 13 March 2009.

## PRINCIPAL ACTIVITIES

Bentley is a listed investment company. Since admission to **ASX** in 1986, the principal investment objective of the Company was to invest in equity securities listed on the world's major stock markets.

Bentley's investment objectives are to:

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

Full details of the Bentley's investment mandate are in the 2009 Annual Report and on the Company's website [www.bel.com.au](http://www.bel.com.au).

## NET TANGIBLE ASSET BACKING

CONSOLIDATED	December 2009 \$'000	June 2009 \$'000
Net tangible assets (before tax on unrealised gains)	32,567	27,748
<b>Pre-tax NTA Backing per share (cents)</b>	<b>45.37</b>	<b>38.76</b>
Less: Net deferred tax asset / liabilities	-	-
Net tangible assets (after tax on unrealised gains)	32,567	27,748
<b>Post-tax NTA Backing per share (cents)</b>	<b>45.37</b>	<b>38.76</b>
Based on total issued shares	71,785,359	71,584,465

Bentley's 6 month after tax net tangible asset (**NTA**) performance to 31 December 2009 was +17%. This compares with the performance of the **ASX All Ordinaries Accumulation Index** of +26% over the same period.

# DIRECTORS' REPORT

## OPERATING RESULTS

	CONSOLIDATED December 2009 \$'000	COMPANY December 2008 \$'000
Unrealised gain on financial assets held at fair value through profit or loss	5,922	-
Net reversal of prior year unrealised loss/current year unrealised loss on financial assets held at fair value through profit or loss	-	2,039
Other investment related income	153	321
<b>Total revenue</b>	<b>6,075</b>	<b>2,361</b>
Realised loss on financial assets at fair value through profit or loss	-	2,165
Foreign exchange losses	151	668
Investment manager's fees	-	156
Other corporate and administration expenses	448	250
<b>Total expenses</b>	<b>599</b>	<b>3,240</b>
<b>Profit/(Loss) before income tax expense</b>	<b>5,476</b>	<b>(879)</b>
Income tax benefit/(expense)	-	(901)
<b>Profit/(Loss) after income tax expense</b>	<b>5,476</b>	<b>(1,780)</b>

## GAIN/(LOSS) PER SHARE

	CONSOLIDATED December 2009	COMPANY December 2008
Basic gain/(loss) per share (cents)	7.65	(4.43)

## FINANCIAL POSITION

	December 2009 \$'000	June 2009 \$'000
Investments	30,598	12,759
Cash	1,926	14,650
Net deferred tax asset / liabilities	(249)	-
Other assets	341	456
Liabilities	(48)	(117)
<b>Net assets</b>	<b>32,567</b>	<b>27,748</b>
Issued capital	26,108	29,664
Retained Earnings/(Accumulated losses)	6,459	(1,916)
<b>Total equity</b>	<b>32,567</b>	<b>27,748</b>



# DIRECTORS' REPORT

## DIVIDENDS

The Company will be paying an interim dividend as follows:

Dividend Rate	Record Date	Expected Payment Date	Franking
One cent per share	8 March 2010	15 March 2010	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.

The Company has also paid the following special dividend during the financial half year:

Dividend Rate	Record Date	Payment Date	Franking	DRP Issue Price
One cent per share	28 October 2009	30 October 2009	100% franked	\$0.2952

A copy of the Company's DRP rules and related documentation may be obtained from the Company or downloaded from the Company's website.

## SECURITIES IN THE COMPANY

The Company has 71,785,359 (30 June 2009: 71,584,465) fully paid ordinary shares on issue. All such shares are listed on ASX. The Company has no other securities on issue.

On 30 October 2009, the Company issued 200,894 ordinary shares at 29.52 cents per share as a consequence of shareholders' participation under the Company's DRP in respect of the October 2009 special dividend payment.

## REVIEW OF OPERATIONS

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

Net Assets	31 December 2009		30 June 2009		31 December 2008	
International equities	-	-	-	-	\$4.56m	30%
Australian equities <sup>1</sup>	\$30.6m	94%	\$12.80m	46%	-	-
Provision for income tax	-	-	-	-	-	-
Net cash on deposit/other assets/provisions	\$2.0m	6%	\$14.95m	54%	\$10.60m	70%
<b>TOTAL NET ASSETS</b>	<b>\$32.6m</b>	<b>100%</b>	<b>\$27.75m</b>	<b>100%</b>	<b>\$15.16m</b>	<b>100%</b>

<sup>1</sup> Held via an investment in the FSP Equities Leaders Fund

### Investment Strategies

The Board has devised a set of principles to guide the Company in its investment activities moving forward.

A summary of these principles are set out in The Board's Report at pages 4 and 5 of the Company's 2009 Annual Report.

# DIRECTORS' REPORT

These principles are by their very nature subject to continuous development and refinement and must also be adaptive to the particular financial position of the Company (in terms of its available capital base) as well as to the financial climate at the time the Company makes any investment decision.

Full details of the Bentley's investment mandate are in the 2009 Annual Report and on the Company's website [www.bel.com.au](http://www.bel.com.au).

## August 2009: Investment in the FSP Equities Leaders Fund

On 3 August 2009, the Board reviewed market conditions and determined to rebalance the Bentley investment portfolio from a ~47% Australian equities weighting to a ~90% Australian equities weighting. It accordingly invested a further \$11.5 million with its investment manager, FSP, in the FSP Fund. The FSP Fund comprise investments in Australian equities, predominantly in companies within the ASX/S&P 200 Index.

## October 2009: Proposed off-market share buy-back not approved by shareholders

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

On 9 October 2009, shareholders at a general meeting did not approve the Buy-Back resolution.

## DIRECTORS

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

### Farooq Khan – Chairman

*Appointed* – Director since 2 December 2003; Chairman since 10 February 2004

*Qualifications* – BJuris, LLB. (UWA)

*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* – 20,513,783 ordinary shares (not held directly<sup>1</sup>)

*Special Responsibilities* – Chairman of the Board and Investment Committee

*Other current directorships in listed entities* – Current Chairman and Managing Director of:

(1) Queste Communications Ltd (since 10 March 1998)

Current Chairman of:

(2) Orion Equities Limited (since 23 October 2006)

Current Executive Director of:

(3) Strike Resources Limited (since 3 September 1999)

(4) Alara Resources Limited (since 18 May 2007)

Current Non-Executive Director of:

(5) Interstaff Recruitment Limited (since 27 April 2006)

1 An indirect interest held by Orion Equities Limited (OEQ), a company in which Queste Communications Ltd (QUE) is a controlling shareholder; Farooq Khan (and associated companies) have a deemed relevant interest in Bentley shares in which QUE has a relevant interest by reason of having a greater than 20% voting power in QUE.

# DIRECTORS' REPORT

## **William M. Johnson** – Executive Director

*Appointed* – 13 March 2009

*Qualifications* – MA (Oxon), MBA

*Experience* – Mr Johnson commenced his career in resource exploration and has most recently held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. As Regional Director Asia Pacific for Telecom New Zealand Ltd, Mr Johnson was responsible for identifying, evaluating and implementing investment strategies that included start-up technology ventures, a technology focussed venture capital fund and strategic investments and acquisitions in Asia and Australia. As Executive Director of ASX listed investment company, Orion Equities Limited, Mr Johnson has been actively involved in the strategic analysis of a diverse range of business and investment opportunities and the execution of a number of corporate transactions. Mr Johnson brings a considerable depth of experience in business strategy and investment analysis and execution.

*Relevant interest in shares* – None

*Special Responsibilities* – Investment Committee

*Other current directorships in listed entities* – (1) Strike Resources Limited (since 14 July 2006)  
(2) Orion Equities Limited (since 28 February 2003)  
(3) Alara Resources Limited (since 26 October 2009)

## **Simon K. Cato** – Non-Executive Director

*Appointed* – 5 February 2004

*Qualifications* – B.A. (USYD)

*Experience* – Mr Simon Cato has had over 25 years capital markets experience in broking, regulatory roles and as director of listed companies. He initially was employed by the ASX in Sydney and in Perth. Over the last 17 years he has been 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 has also been involved in the underwriting of a number of IPO's and has been through the process of IPO listings in the dual role of broker and director. Currently he holds a number of executive and non executive roles with listed companies in Australia.

*Relevant interest in shares* – None

*Special Responsibilities* – None

*Other current directorships in listed entities* – Current Chairman of:  
(1) Convergent Minerals Limited (since 25 July 2006)  
(2) Advanced Share Registry Services Limited (since 22 August 2007)

Current Director of:  
(1) QED Occtech Limited (QED) (since 24 February 2010)  
(2) Greenland Minerals and Energy Lid (since 21 February 2006)  
(3) Queste Communications Ltd (since 6 February 2008)

# DIRECTORS' REPORT

## **Peter P. Simpson** – **Non-Executive Director**

*Appointed* – 6 September 2005

*Qualifications* – Ass.Dip.Bus, F.A.I.M., F.C.D.I.

*Experience* – Mr Simpson has substantial business and commercial experience. Mr. Simpson is Executive Chairman of Bridge Finance Australia Pty Ltd, which has broad interests including horticulture, publishing and in the IT sector. Mr Simpson is also Chairman of Eudunda Farmers' Limited, an unlisted property and supermarket group. Mr Simpson has substantial interests in two private investment companies and is also a director and shareholder in Wirra Wirra Vineyards in South Australia.

*Relevant interest in shares* – 1,132,860 shares (held directly and indirectly)<sup>2</sup>

*Special Responsibilities* – None

*Other current directorships in listed entities* – None

## **Christopher B. Ryan** – **Non-Executive Director**

*Appointed* – 5 February 2004

*Qualifications* – BEcon (UWA), MBA (UNSW)

*Experience* – Mr Ryan is the Principal of Westchester Corporate Finance, a Sydney based corporate advisory firm specialising in advising listed companies on fund raising, mergers and acquisitions and associated transactions. Prior to forming Westchester in July 1996, Christopher was with Schroders Australia for 27 years. At Schroders, he served 3 years in the investment division, 2 years as an economist monitoring influences on interest and exchange rates and 22 years in the corporate finance division of which he was a director for 19 years specialising in advising on project financing and mergers and acquisitions mainly in the Australian minerals and oil and gas sectors.

*Relevant interest in shares* – None

*Special Responsibilities* – None

*Other current directorships in listed entities* – None

<sup>2</sup>

A direct interest held personally and jointly with Mrs Carolynne Simpson and an indirect interest held by associated companies, Barbridge Trusts Pty Ltd and Oddlot Shares & Securities Pty Ltd.

# DIRECTORS' REPORT

## COMPANY SECRETARY

**Victor P. H. Ho** – **Company Secretary**

*Appointed* – Since 5 February 2004

*Qualifications* – BCom, LLB (UWA)

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

*Special Responsibilities* – Investment Committee

*Relevant interest in shares* – 5,945 ordinary shares

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

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

Current Company Secretary of:

(1) Strike Resources Limited (since 9 March 2000)

(2) Alara Resources Limited (since 4 April 2007)

(3) Queste Communications Ltd (since 30 August 2000)

## AUDITOR'S INDEPENDENCE DECLARATION

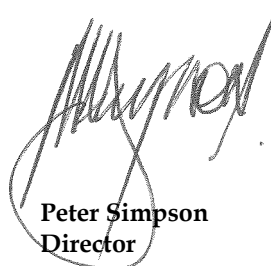
A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 21. This relates to the Auditor's Independent Review Report, where the Auditors state that they have issued an independence declaration.

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



**Farooq Khan**  
Chairman

24 February 2010



**Peter Simpson**  
Director

24 February 2010

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

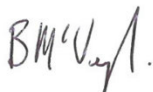
Dear Sirs,

**DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF BENTLEY CAPITAL LIMITED**

As lead auditor for the review of Bentley Capital Limited for the half-year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

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



**Brad McVeigh**  
Director



**BDO Audit (WA) Pty Ltd**  
Perth, Western Australia

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## for the half year ended 31 December 2009

	Note	Consolidated Entity / Company	
		31 Dec 09 \$	31 Dec 08 \$
<b>Revenue from continuing operations</b>	2	64,512	321,593
Unrealised gain on financial assets held at Net reversal of prior year unrealised loss/ current year unrealised loss on financial assets held at fair value through profit or loss		5,922,078 -	- 2,039,395
Other income		88,437	(96)
		<hr/>	<hr/>
		6,075,027	2,360,892
<b>Expenses</b>	2		
Investment expenses			
- Realised loss on financial assets held at fair value through profit or loss		-	(2,165,422)
- Foreign exchange losses		(150,846)	(668,365)
- Withholding tax		-	(18,530)
Occupancy expenses		(11,526)	(24,599)
Finance expenses		(895)	(533)
Borrowing cost		(8)	(2)
Corporate expenses		(39,422)	(112,987)
Administration expenses		(396,378)	(249,458)
		<hr/>	<hr/>
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		5,475,952	(879,004)
Income tax expense		-	(901,403)
		<hr/>	<hr/>
<b>PROFIT/(LOSS) FOR THE HALF YEAR</b>		5,475,952	(1,780,407)
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
Other comprehensive income, net of tax		-	-
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE HALF YEAR</b>		5,475,952	(1,780,407)
		<hr/>	<hr/>
Total comprehensive income for the half year is attributable to:			
Owners of Bentley Capital Limited		5,475,952	(1,780,407)
		<hr/>	<hr/>
Basic earnings/(loss) per share (cents)	4	7.6	(4.4)

The accompanying notes form part of this financial report

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2009

	Note	Consolidated Entity	
		31 Dec 09	30 Jun 09
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,926,369	14,650,307
Financial assets held at fair value through profit and loss	6	30,597,659	12,758,609
Trade and other receivables		84,097	440,719
Other current assets		-	6,518
<b>TOTAL CURRENT ASSETS</b>		<b>32,608,125</b>	<b>27,856,153</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		7,487	8,532
Deferred tax asset		249,483	6,975
<b>TOTAL NON CURRENT ASSETS</b>		<b>256,970</b>	<b>15,507</b>
<b>TOTAL ASSETS</b>		<b>32,865,095</b>	<b>27,871,660</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		39,762	110,610
<b>TOTAL CURRENT LIABILITIES</b>		<b>39,762</b>	<b>110,610</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions		8,604	6,277
Deferred tax liabilities		249,483	6,975
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>258,087</b>	<b>13,252</b>
<b>TOTAL LIABILITIES</b>		<b>297,849</b>	<b>123,862</b>
<b>NET ASSETS</b>		<b>32,567,246</b>	<b>27,747,798</b>
<b>EQUITY</b>			
Issued capital	7	26,108,287	29,663,934
Retained earnings/(Accumulated losses)		6,458,959	(1,916,136)
<b>TOTAL EQUITY</b>		<b>32,567,246</b>	<b>27,747,798</b>

The accompanying notes form part of this financial report



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## for the half year ended 31 December 2009

	Note	Issued Capital \$	Retained earnings/ Accumulated Losses \$	Total \$
<b>Consolidated Entity</b>				
At 1 July 2009		29,663,934	(1,916,136)	27,747,798
Profit for the half year		-	5,475,952	5,475,952
Total comprehensive income and expense for the half year		-	5,475,952	5,475,952
<b>Transactions with owners in their capacity as owners:</b>				
Reduction of share capital to the extent not represented by assets	7	(3,614,988)	3,614,988	-
Dividends paid		-	(715,845)	(715,845)
Issue under Dividend Reinvestment Plan		59,341		59,341
At 31 December 2009		26,108,287	6,458,959	32,567,246
<b>Company</b>				
At 1 July 2008		18,178,191	(1,190,971)	16,987,220
Loss for the half year		-	(1,780,407)	(1,780,407)
Total comprehensive income and expense for the half year		-	(1,780,407)	(1,780,407)
At 31 December 2008		18,178,191	(2,971,378)	15,206,813

The accompanying notes form part of this financial report

# CONSOLIDATED STATEMENT OF CASH FLOWS

## for the half year ended 31 December 2009

	Consolidated Entity / Company	
	31 Dec 09	31 Dec 08
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends received	-	150,915
Interest received	79,993	138,679
Other income received	12,091	-
Investment manager's fees paid	-	(76,515)
Other expenses paid	(508,666)	(313,500)
Interest paid	(8)	(2)
Income taxes refunded	-	87
Proceeds from sale/redemption of investments	-	11,186,453
Investment purchased	(11,500,000)	(22,039)
Foreign exchange loss from sale of investments	-	(689,535)
	-	-
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(11,916,590)</b>	<b>10,374,543</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant and equipment	-	(349)
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>(349)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(656,502)	-
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>	<b>(656,502)</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(12,573,092)</b>	<b>10,374,194</b>
Cash at beginning of the financial period	14,650,307	333,566
Effect of exchange rate changes on cash	(150,846)	21,171
<b>CASH AT THE END OF THE FINANCIAL PERIOD</b>	<b>5 1,926,369</b>	<b>10,728,931</b>

The accompanying notes form part of this financial report

# NOTES TO THE FINANCIAL STATEMENTS

## for the half year ended 31 December 2009

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The half-year financial statements are a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. These half-year financial statements do not include notes of the type normally included in the annual financial statements and shall be read in conjunction with the most recent annual financial statements and the Company's ASX announcements released from 1 July 2009 to the date of this report.

#### Basis of preparation

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

The accounting policies and methods of computation adopted in the preparation of the half-year financial statements are consistent with those adopted and disclosed in the Company's financial statements for the year ended 30 June 2009; except as follows:

#### Segment reporting

The Consolidated Entity has applied AASB 8 "Operating Segments" from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. In this financial half year, the management has determined that the operating segments are based on only investments and based in one geographical location which is not different to the previous standard AASB 114 "Segment Reporting".

### 2. PROFIT/(LOSS) FOR THE PERIOD

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

#### (a) Revenue

Interest received  
Dividends

#### Other Income

Unrealised gain on financial assets held at fair value through profit or loss  
Net reversal of prior year unrealised loss / current year  
unrealised loss on financial assets held at fair value through profit or loss  
Other income

#### (b) Expenses

Investment expenses  
- Realised loss on financial assets held at fair value through profit or loss  
- Foreign exchange losses  
- Withholding tax  
Occupancy expenses  
Finance expenses  
Borrowing cost  
Corporate expenses  
- Investment management fees  
- Custodian fees  
- Reversal of provision for realisation costs in investment portfolio  
- Share registry  
- ASX fees  
- Other corporate expenses  
Administration expenses  
- Communications  
- Accounting, taxation and related administration  
- Audit

	Consolidated Entity 31 Dec 09 \$	Company 31 Dec 08 \$
	64,512	158,754
	-	162,839
	<u>64,512</u>	<u>321,593</u>
	5,922,078	-
	-	2,039,395
	88,437	(96)
	<u>6,075,027</u>	<u>2,360,892</u>
	-	2,165,422
	150,846	668,365
	-	18,530
	11,526	24,599
	895	533
	8	2
	-	76,515
	-	41,213
	-	(39,517)
	12,806	4,489
	27,702	17,662
	(1,086)	12,625
	16,305	6,541
	94,249	45,292
	16,229	26,175

# NOTES TO THE FINANCIAL STATEMENTS

## for the half year ended 31 December 2009

	Consolidated Entity	Company
	31 Dec 09	31 Dec 08
	\$	\$
<b>2. PROFIT/(LOSS) FOR THE PERIOD (continued)</b>		
<b>(b) Expenses (continued)</b>		
- Professional fees	63,237	1,757
- Office administration	13,762	14,164
- Personnel	109,371	107,407
- Personnel- employee benefits	7,380	4,676
- Insurances	42,438	32,356
- Depreciation	1,044	755
- Travel	31,439	5,971
- Other administration expenses	924	4,364
	<u>599,075</u>	<u>3,239,896</u>
<b><u>Declared and paid during the year</u></b>		
<b>Dividends on ordinary shares</b>		
One cent per share fully franked dividend paid on 30 October 2009	<u>715,845</u>	<u>-</u>
On 24 February 2010, the Directors declared payment of an interim one cent per share fully franked dividend. The record date will be 8 March 2010 with payment to be effected on or about 15 March 2010.		
<b><u>Post balance date dividends to be declared</u></b>		
One cent per share fully franked dividend	<u>717,854</u>	<u>-</u>
<b>Franking credit balance</b>	3,665,364	3,973,639
Franking debits arising from payment of dividends post balance date	<u>(307,652)</u>	<u>-</u>
	<u>3,357,712</u>	<u>3,973,639</u>
<b>4. EARNINGS/(LOSS) PER SHARE</b>		
Basic earnings/(loss) per share (cents)	7.65	(4.43)
Profit/(Loss) used to calculate earnings per share (\$)	<u>5,475,952</u>	<u>(1,780,407)</u>
Weighted average number of ordinary shares during the period used in calculation of basic earnings/(loss) per share	<u>71,618,589</u>	<u>40,234,143</u>
Diluted earnings/(loss) per share has not been disclosed, as it does not show a position which is inferior to basic earnings per share. The Company has no securities outstanding which have the potential to convert to ordinary shares and dilute the basic earning per share.		
<b>5. CASH AND CASH EQUIVALENTS</b>	<b>Consolidated Entity</b>	
	<b>31 Dec 09</b>	<b>30 Jun 09</b>
	\$	\$
Cash at bank	226,369	1,456,758
Term Deposits	1,700,000	13,193,549
	<u>1,926,369</u>	<u>14,650,307</u>
<b>6. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT AND LOSS</b>		
<b><u>Current</u></b>		
Units in unlisted FSP Equities Leaders Fund - at fair value	<u>30,597,659</u>	<u>12,758,609</u>
	<u>30,597,659</u>	<u>12,758,609</u>
All financial assets held at fair value through profit or loss were designated as such upon initial recognition.		
Net gain/(loss) on financial assets held at fair value through profit or loss	<u>5,922,078</u>	<u>883,199</u>

# NOTES TO THE FINANCIAL STATEMENTS

## for the half year ended 31 December 2009

### 7. ISSUED CAPITAL

	Consolidated Entity	
	31 Dec 09	30 Jun 09
	\$	\$
Fully paid ordinary shares	26,108,287	29,663,934
	Number of shares	\$
<b>31 December 2009</b>		
At 1 July 2009	71,584,465	29,663,934
Reduction of share capital to the extent not represented by assets	-	(3,614,988)
Issue under Dividend Reinvestment Plan	200,894	59,341
At 31 December 2009	71,785,359	26,108,287
<b>30 June 2009</b>		
At 1 July 2008	40,234,143	18,178,191
Issue under scheme of arrangement merger with Scarborough Equities Pty Ltd	31,350,322	11,485,743
At 30 June 2009	71,584,465	29,663,934

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

At the Annual General Meeting held on 20 November 2009, shareholders approved a reduction in value of the Company's share capital against accumulated losses by \$3,614,988, being an amount not represented by available assets, pursuant to section 258F of the Corporations Act. This was essentially an accounting entry that allowed the Company to remove from its books historical accumulated accounting losses that effects the ability of the Company to retain earnings from which future dividends may be paid. The reduction has no effect on the carried forward tax losses of the Company nor did it change the number of shares on issue or the net asset position of the Company.

### 8. SEGMENT REPORTING

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

#### Geographical exposures

During the period, the Consolidated Entity's investment portfolio comprised investments in Australia. During the previous financial half year, the Company's investment portfolio (comprising investments in listed securities, cash assets, accrued interest and dividends, net of unsettled trades) was exposed to different countries as outlined below:

6 months to 31 Dec 09	Australia	Europe	United Kingdom	North America	Asia	Japan	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue	6,075,027	-	-	-	-	-	6,075,027
Total assets	32,865,095	-	-	-	-	-	32,865,095
Acquisition of investments	11,500,000	-	-	-	-	-	11,500,000
6 months to 31 Dec 08							
Revenue	158,754	388,180	130,871	1,266,845	30,775	385,468	2,360,893
Total assets	87,090	855,956	419,870	2,592,992	189,885	551,718	4,697,511
Acquisition of investments	-	33,073	867	(35,329)	23,428	-	22,039
Year to 30 Jun 09							
Revenue	2,333,416	571,058	223,012	1,845,744	54,250	511,139	5,538,619
Total assets	27,871,660	-	-	-	-	-	27,871,660
Acquisition of investments	-	36,560	867	(35,329)	23,427	23,877	49,402

# NOTES TO THE FINANCIAL STATEMENTS

## for the half year ended 31 December 2009

9. LEASE COMMITMENTS	Consolidated Entity	
	31 Dec 09	30 Jun 09
	\$	\$
Not longer than one year	65,030	91,772
Between 12 months and 5 years	369,722	219,001
	<u>434,752</u>	<u>310,773</u>

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

### 10. CONTINGENT ASSETS AND LIABILITIES

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

### 11. EVENTS AFTER BALANCE SHEET DATE

On 24 February 2010, the Directors declared payment of an interim one cent per share fully franked dividend. The record date will be 8 March 2010 with payment to be effected on or about 15 March 2010.

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.

# DIRECTORS' DECLARATION

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

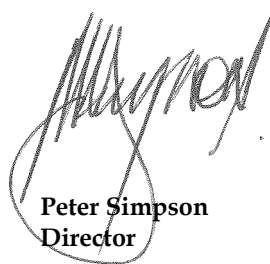
In the opinion of the directors:

- (a) The financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 31 December 2009 and of its performance for the half year ended on that date; and
  - (ii) complying with Accounting Standards AASB 134 "Interim Financial Reporting" and *Corporations Regulations 2001*; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



**Farooq Khan**  
Chairman



**Peter Simpson**  
Director

24 February 2010

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

### Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Bentley Capital Limited for the period ended 31 December 2009 included on Bentley Capital Limited's web site. The disclosing entity's directors are responsible for the integrity of Bentley Capital Limited's web site. We have not been engaged to report on the integrity of Bentley Capital Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bentley Capital Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bentley Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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





## Independence

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

## Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

**BDO Audit (WA) Pty Ltd**

A handwritten signature in black ink. The signature consists of the letters 'BDO' written above the name 'BMcVeigh'.

**Brad McVeigh**  
Director

Signed in Perth, Western Australia  
Dated this 24<sup>th</sup> day of February 2010.

# SECURITIES INFORMATION

## as at 31 December 2009

### DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	286	150,438	0.210
1,001	-	5,000	929	2,904,446	4.046
5,001	-	10,000	439	3,257,789	4.538
10,001	-	100,000	615	15,999,761	22.288
100,001	-	and over	49	49,472,925	68.918
<b>Total</b>			<b>2,318</b>	<b>71,785,359</b>	<b>100%</b>

### TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares Held	% Issued Capital
1	* ORION EQUITIES LIMITED		20,513,783	28.577
2	* ROCHESTER NO 39 PTY LTD	6,826,000		
	* PENSON HOLDINGS PTY LTD	258,426		
	* PENSON (MANAGEMENT) PTY LTD	26,609		
	* ROCHESTER NO 39 PTY LTD	216,464		
	* ROCHESTER NO 39 PTY LTD	275,777		
		Sub-total	7,603,276	10.592
3	* DATABASE SYSTEMS LTD		7,481,544	10.422
4	EQUITAS NOMINEES PTY LIMITED		2,734,526	3.809
5	QUESTE COMMUNICATIONS LIMITED		1,740,625	2.425
6	MR JOHN ROBERT DILLON		1,219,190	1.698
7	BARBRIDGE TRUST PTY LTD	453,640		
	BARBRIDGE TRUSTS PTY LTD	341,920		
	MR PETER PENFOLD SIMPSON	8,000		
	MR PETER PENFOLD SIMPSON & MRS CAROLYNNE DENISE SIMPSON	229,300		
	ODDLOT SHARES & SECURITIES PTY LTD	100,000		
		Sub-total	1,132,860	1.578
8	MR ANDREW GRAEME MOFFAT & MRS ELIZABETH ANN MOFFAT	915,978		
	MRS ELIZABETH ANN MOFFAT	242		
		Sub-total	916,220	1.276
9	MR MICHAEL CRAIG	81,767		
	MR ROBERT JAMES CRAIG	674,023		
		Sub-total	755,790	1.057
10	PATJEN PTY LIMITED		557,441	0.777
11	MR JAMES LAWRENCE HADLEY & MRS MARIA MARENA HADLEY	344,280		
	MR JAMES LAWRENCE HADLEY	62,000		
		Sub-total	406,280	0.566
12	DR SPENCER DAVID		283,951	0.396
13	MR COLIN JOHN VAUGHAN & MRS ROBIN VAUGHAN		279,133	0.389
14	MCCUE FAMILY HOLDINGS PTY LTD		234,969	0.327
15	SANPEREZ PTY LTD		221,202	0.308
16	MRS LEANNE MAREE ROCKEFELLER		215,007	0.300
17	ADC (INVESTING) PTY LTD		185,834	0.259
18	MS JAN ELIZABETH BURNETT-MCKEOWN		182,970	0.255
19	MRS PENELOPE MARGARET SIEMON		169,539	0.236
20	MRS LENA SOONG		168,756	0.235
<b>TOTAL</b>			<b>47,005,674</b>	<b>65.48%</b>

\* Substantial shareholders