



**Bentley  
Capital Limited**

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## **FULL YEAR REPORT**

**ASX Appendix 4E Preliminary Final Report  
Directors' Report  
Auditor's Independence Declaration  
Financial Report  
Audit Report**

**30 JUNE 2019**

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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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**ASX CODE**  
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# Results for Announcement to the Market

Current Reporting Period:	Financial year ended year ended 30 June 2019
Previous Corresponding Period	Financial year ended year ended 30 June 2018
Balance Date:	30 June 2019
Company:	Bentley Capital Limited ( <b>BEL</b> or the <b>Company</b> )
Consolidated Entity:	BEL and controlled entities ( <b>Bentley</b> )

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

CONSOLIDATED	June 2019 \$'000	Restated June 2018 \$'000	% Change	Up/ Down
Net gain on financial assets held at fair value through profit or loss	-	412	N/A	-
Net gain on non-current asset held for sale	-	578	N/A	-
Dividends	176	50	249%	Up
Interest	2	7	73%	Down
Other income	118	86	37%	Up
<b>Total revenue</b>	<b>296</b>	<b>1,134</b>	<b>74%</b>	<b>Down</b>
Share of Associate entity's loss	-	(1,365)	N/A	-
Reversal of prior years' share of Associate entity's losses	2,997	-	N/A	-
Net loss on financial assets held at fair value through profit or loss (upon reclassification from investment in Associate entity)	(3,112)	-	N/A	-
Net loss on other financial assets held at fair value through profit or loss	(348)	-	N/A	-
Net loss on non-current asset held for sale	(420)	-	N/A	-
Technology operations	(717)	(961)	25%	Down
Technology operations – amortisation of capitalised expenditure	(339)	(21)	1502%	Up
Salaries, fees and employee benefits	(354)	(359)	1%	Down
Investment expenses	(18)	(21)	12%	Down
Corporate expenses	(55)	(60)	10%	Down
Administration and other expenses	(388)	(348)	11%	Up
<b>Total expenses</b>	<b>(2,754)</b>	<b>(3,135)</b>	<b>12%</b>	<b>Down</b>
<b>Loss before tax</b>	<b>(2,458)</b>	<b>(2,002)</b>	<b>23%</b>	<b>Up</b>
Income tax benefit/(expense)	-	-	-	-
<b>Loss after tax attributable to members</b>	<b>(2,458)</b>	<b>(2,002)</b>	<b>23%</b>	<b>Up</b>
Basic and diluted loss per share (cents)	(3.23)	(2.63)	23%	Up
Pre-tax NTA backing per share (cents)	8.34	11.94	30%	Down
Post-tax NTA backing per share (cents)	8.34	11.94	30%	Down
<b>Pre and Post-Tax NTA backing per share</b> (with dividends paid during the 2018/2019 year added back)	<b>8.84</b>	<b>11.94</b>	<b>26%</b>	<b>Down</b>

## BRIEF EXPLANATION OF RESULTS AND COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

Bentley has generated an overall unrealised gain of \$0.202 million on its investment in Keybridge Capital Limited (ASX: KBC) for the financial year – Bentley notes that the investment was reclassified from being an Associate entity (accounted on an equity accounting basis) to a financial asset (accounted at fair value) as at 30 June 2019 balance date.

# Results for Announcement to the Market

Bentley's net loss for the year was caused by a decline in the value of its investments including Strike Resources Limited (ASX:SRK) and Yowie Group Ltd (ASX:YOW) and the amortisation of capitalised expenditure from prior years.

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 year ended 30 June 2019.

## Restatement of 2018 Comparatives

The comparative information for year ending/balance date as at 30 June 2018 has been restated to reflect the correct presentation of an Associate entity's dividend payment to the Company. The payment to the Company should have been eliminated as dividend income from the Statement of Profit or Loss and Other Comprehensive Income and the carrying value of the investment in the Associate entity in the Statement of Financial Position should have decreased by the same value. There is a change to profit before tax, other comprehensive income and loss per share as a result of these presentational changes. Further information is in Note 1.18 to the financial statements.

## DIVIDENDS

Bentley has not declared payment of a dividend for the year ended 30 June 2019.

During the financial year, Bentley paid a dividend, as follows:

Dividend Rate	Record Date	Payment Date	DRP Issue Price (cents)	DRP Shares Acquired
0.50 cent per share	13 July 2018	20 July 2018	\$0.1115	229,840

## ASSOCIATE ENTITY

With effect on Balance Date, the Company classified its 20.17% interest (31,700,000 shares) in Keybridge Capital Limited (ASX: KBC) (30 June 2018: 20.05%; 31,700,000 shares) from being an investment in an Associate entity (accounted on an equity accounting basis under Accounting Standard AASB 128) to being an investment in a financial asset at fair value through profit or loss (accounted at fair value under AASB 139).

## CONTROLLED ENTITIES

beaXchange Limited was incorporated in Malta on 11 October 2018 as a wholly owned subsidiary.  
Tied OÜ was incorporated in Estonia on 13 May 2019 as a wholly owned subsidiary.

## ANNUAL GENERAL MEETING (AGM)

Pursuant to the ASX Listing Rules, the Company gives notice that its 2019 AGM is expected to be held on or about Thursday, 21 November 2019.

For and on behalf of the Directors,



Victor Ho  
Company Secretary

Date: 30 August 2019

Telephone: (08) 9214 9757

Email: cosec@bel.com.au

# COMPANY PROFILE

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

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

Bentley's Investment Mandate is outlined on page 60 of its 2018 Annual Report.

As at 30 June 2019, Bentley had net tangible assets (NTA) of \$6.35 million at \$0.0834 post-tax NTA backing per share, 76,127,918 fully paid ordinary shares on issue and 1,676 shareholders on its share register.

## NET ASSET WEIGHTINGS

Net Assets	30 June 2019		Restated 30 June 2018	
	\$'m	%	\$'m	%
Australian equities <sup>1</sup>	6.22	98	8.73	95
Intangible assets <sup>2</sup>	-	-	0.10	1.1
Provision for income tax	-	-	-	-
Net cash on deposit/other assets/provisions	0.13	2	0.36	3.9
<b>Total Net Assets</b>	<b>6.35</b>	<b>100%</b>	<b>9.19</b>	<b>100%</b>
NTA Backing per share	\$0.0834		\$0.1194	
Adjusted NTA Backing per share (with dividends paid during the 2018/2019 year added back)	\$0.0884		N/A	

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

## SUMMARY OF MAJOR HOLDINGS

Security	ASX Code	Industry Sector	30 June 2019		Restated 30 June 2018	
			\$'m	%	\$'m	%
Strike Resources Limited <sup>3</sup>	SRK	Metals & Mining	2.36	37.2	2.79	30.4
Keybridge Capital Limited <sup>4</sup>	KBC	Diversified	2.19	34.4	2.30	25
Clime CBG Australian Equities Fund	-	Diversified	0.74	11.6	1.92	20.9
Other listed securities	Various	Various	0.52	8.2	1.29	14
Other managed funds	-	Diversified	0.41	6.5	0.44	4.8

3. Non-Current Asset Held for Sale carried at fair value (ASX market) less selling costs
4. Financial asset carried at fair value

## RECENT DISTRIBUTION HISTORY

Rate per share	Nature	Record Date	Payment Date	Franking	DRP Issue Price
0.50 cent	Dividend	13 July 2018	20 July 2018	100%	\$0.1115
0.50 cent	Dividend	12 January 2018	25 January 2018	100%	\$0.1225
0.50 cent	Dividend	17 August 2017	31 August 2017	100%	\$0.1172
0.50 cent	Dividend	24 March 2017	31 March 2017	100%	\$0.1371
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

# DIRECTORS' REPORT

The Directors present their Directors' Report on Bentley Capital Limited ABN 87 008 108 218 (**BEL** or **Company**) and its controlled entities (**Bentley** or the **Consolidated Entity**) for the financial year ended 30 June 2019 (**Balance Date**).

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

## PRINCIPAL ACTIVITIES

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

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

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

- (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

	June 2019 \$'000	Restated June 2018 \$'000
<b>CONSOLIDATED</b>		
Net assets	6,351	9,189
Less: Intangible assets	-	(97)
Net tangible assets	6,351	9,092
<b>Pre-tax NTA backing per share (cents)</b>	<b>8.34</b>	<b>11.94</b>
Less: Net deferred tax asset/liabilities / tax provision	-	-
Net tangible assets	6,351	9,092
<b>Post-tax NTA backing per share (cents)</b>	<b>8.34</b>	<b>11.94</b>
<b>Value of dividends paid to shareholders in previous 12 months</b>	<b>381</b>	-
<b>Adjusted Pre and post-tax NTA backing per share (cents)</b> (with dividends paid during the 2018/2019 year added back)	<b>8.84</b>	N/A
Based on total issued shares	76,127,918	76,127,918

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

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

# DIRECTORS' REPORT

## OPERATING RESULTS

CONSOLIDATED	June 2019 \$'000	Restated June 2018 \$'000
Net gain on financial assets held at fair value through profit or loss	-	412
Net gain on non-current asset held for sale	-	578
Dividends	176	51
Interest	2	7
Other income	118	86
<b>Total revenue</b>	<b>296</b>	<b>1,133</b>
Share of Associate entity's loss	-	(1,365)
Reversal of prior years' share of Associate entity's losses	2,997	-
Net loss on financial assets held at fair value through profit or loss (upon reclassification from investment in Associate entity)	(3,112)	-
Net loss on other financial assets held at fair value through profit or loss	(348)	-
Net loss on non-current asset held for sale	(420)	-
Technology operations	(717)	(961)
Technology operations – amortisation of capitalised expenditure	(339)	(21)
Salaries, fees and employee benefits	(354)	(359)
Investment expenses	(18)	(21)
Corporate expenses	(55)	(60)
Administration and other expenses	(389)	(349)
<b>Total expenses</b>	<b>(2,755)</b>	<b>(3,136)</b>
<b>Loss before income tax expense</b>	<b>(2,458)</b>	<b>(2,002)</b>
Income tax expense	-	-
<b>Loss after income tax expense</b>	<b>(2,458)</b>	<b>(2,002)</b>

Bentley has generated an overall unrealised gain of \$0.202 million on its investment in Keybridge Capital Limited (ASX: KBC) for the financial year – Bentley notes that the investment was reclassified from being an Associate entity (accounted on an equity accounting basis) to a financial asset (accounted at fair value) as at 30 June 2019 balance date.

Bentley's net loss for the year was caused by a decline in the value of its investments including Strike Resources Limited (ASX:SRK) and Yowie Group Ltd (ASX:YOW) and the amortisation of capitalised expenditure from prior years.

## EARNINGS PER SHARE

CONSOLIDATED	June 2019	Restated June 2018
Loss per share (cents)	(3.23)	(2.63)

# DIRECTORS' REPORT

## FINANCIAL POSITION

CONSOLIDATED	June 2019 \$'000	Restated June 2018 \$'000
Investments	3,856	3,641
Non-current asset held for sale	2,365	2,785
Investment in Associate entity	-	2,302
Cash and cash equivalents	267	288
Net deferred tax asset/liabilities	-	-
Intangible assets	-	97
Other assets	229	413
Liabilities	(366)	(338)
<b>Net assets</b>	<b>6,351</b>	<b>9,188</b>
Issued capital	19,477	19,477
Profits reserve	3,298	3,677
Accumulated losses	(16,424)	(13,966)
<b>Total equity</b>	<b>6,351</b>	<b>9,188</b>

## DIVIDENDS

Bentley has not declared payment of a dividend for the year ended 30 June 2019.

During the financial year, Bentley paid a dividend, as follows:

Dividend Rate	Record Date	Payment Date	DRP Issue Price (cents)	DRP Shares Acquired <sup>3</sup>
0.50 cent per share	13 July 2018	20 July 2018	\$0.1115	229,840

As at 30 June 2019, the Company had:

- \$2.26 million in its Profits Reserve account, which is available to fund the payment of dividends to shareholders in the future; and
- \$1.14 million Franking Credits, which is sufficient to fund the payment of fully franked (at Bentley's applicable 27.5% company tax rate) dividends totalling \$3.01 million.

## CAPITAL MANAGEMENT

### Securities on Issue

The Company has 76,127,918 (2018: 76,127,918) fully paid ordinary shares on issue.

All such shares are listed on ASX. The Company has no other securities on issue.

<sup>3</sup> Refer Bentley's ASX Announcement dated 1 August 2017: Updated Dividend Reinvestment Plan



# DIRECTORS' REPORT

## REVIEW OF OPERATIONS

### Net Asset Weightings

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

Net Assets	30 June 2018		Restated 30 June 2018	
	\$'m	%	\$'m	%
Australian equities <sup>1</sup>	6.22	98	8.73	95
Intangible assets <sup>2</sup>	-	-	0.10	1.1
Provision for income tax	-	-	-	-
Net cash on deposit/other assets/provisions	0.13	2	0.36	3.9
<b>Total Net Assets</b>	<b>6.35</b>	<b>100%</b>	<b>9.19</b>	<b>100%</b>
NTA Backing per share	0.0834		0.1194	
Adjusted NTA Backing per share (with dividends paid during the 2018/2019 year added back)	0.0884		N/A	

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

### Major Holdings

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

Security	ASX Code	Industry Sector	30 June 2019		Restated 30 June 2018	
			\$'m	%	\$'m	%
Strike Resources Limited <sup>3</sup>	SRK	Metals & Mining	2.36	37.2	2.79	30.4
Keybridge Capital Limited <sup>4</sup>	KBC	Diversified	2.19	34.4	2.30	25
CBG Australian Equities Fund	-	Diversified	0.74	11.6	1.92	20.9
Other listed securities	Various	Various	0.52	8.2	1.29	14
Other managed funds	-	Diversified	0.41	6.5	0.44	4.8

3. Non-Current Asset Held for Sale carried at fair value (ASX market) less selling costs
4. Financial asset carried at fair value

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

As at 30 June 2019 and currently, Bentley is a major shareholder in Keybridge with 31,700,000 shares (20.17%) (30 June 2018: 31,700,000 shares (20.05%)).

Keybridge is an investment and financial services group with a diversified portfolio of listed and unlisted investments/loan assets in the 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 Yowie Group Ltd (ASX:YOW).

As a consequence of recent developments with respect to the composition of the Keybridge Board (refer below), Bentley determined to change the accounting treatment of its shareholding in Keybridge from being an investment in an Associate entity (accounted on an equity accounting basis) to being an investment in a financial asset (accounted at fair value) as at 30 June 2019.

As a consequence of the change in the accounting treatment of this investment, Bentley has generated a net gain of \$0.202 million on its investment in Keybridge for the financial year

# DIRECTORS' REPORT

As at 30 June 2019, Bentley's investment in Keybridge had a carrying value of \$0.069 (based on KBC's last bid price on ASX) per share (\$2.19 million). Bentley notes that Keybridge has been suspended from trading on the ASX since 16 July 2019<sup>4</sup>.

Bentley Directors (Simon Cato<sup>5</sup> and William Johnson<sup>6</sup>) are on the Board of Keybridge.

As announced on 22 July 2019<sup>7</sup>, the Bentley nominees to the Board of Keybridge had advised Bentley that the Board of Keybridge is effectively deadlocked on a range of significant matters relating to the ongoing operation of the company and, in the opinion of the Bentley nominees, is no longer able to function effectively.

Accordingly, Bentley had no option but to call and convene a general meeting of Keybridge shareholders to effect a Board spill (of all Keybridge Directors positions). This meeting was convened by Bentley on 2 August 2019 with the Keybridge shareholders' meeting scheduled to be held on 25 September 2019. For further details, please refer to the Notice of Meeting and Explanatory Statement released on ASX on 5 August 2019.

Further information about Keybridge's investments and activities are contained in their ASX releases, including as follows:

- 13 June 2019: Net Asset Backing – May 2019;
- 28 February 2019: Half Year Report – 31 December 2018; and
- 17 October 2018: 2018 Annual Report.

Keybridge's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX code "KBC"

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

As at 30 June 2019, Bentley is a major shareholder in Strike with 52,553,493 (36.16%<sup>8</sup>) (30 June 2018: 52,553,493 SRK shares (36.16%)).

On 18 July 2019, Strike raised \$0.981 million through a placement of 21,800,000 shares. Accordingly, Bentley's interest in Strike has diluted to 31.4%.<sup>9</sup>

Strike owns the high grade Apurimac Magnetite Iron Ore Project and Cusco Magnetite Iron Ore Project in Peru and the Paulsens East Iron Ore Project in Western Australia. Strike is also developing a number of battery minerals related projects around the world, including the highly prospective Solaroz Lithium Brine Project in Argentina, the Burke Graphite Project in Queensland and a lithium exploration tenement in Western Australia<sup>10</sup>.

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

4 Refer BEL's ASX Announcement dated 16 July 2019: Suspension from Official Quotation

5 Refer KBC's ASX announcement dated 23 November 2017: Results of 2017 Annual General Meeting

6 Refer KBC's ASX announcement dated 22 November 2018: Results of 2018 Annual General Meeting

7 Refer BEL's ASX Announcement dated 22 July 2019: Update on Investment in Keybridge Capital Limited

8 Refer BEL's ASX Announcement dated 4 September 2015: Change in Substantial Holding in SRK

9 Refer BEL's ASX Announcement dated 22 July 2019: Change in Substantial Holding in SRK

10 Refer SRK's ASX Announcement dated 27 July 2019: June 2019 Quarterly Reports

# DIRECTORS' REPORT

Further information about Strike's current projects and activities are contained in their ASX releases, including as follows:

- 27 July 2019: June 2019 Quarterly Reports;
- 15 March 2019: December 2018 Half Year Report; and
- 25 October 2018: 2018 Annual Report.

Information concerning Strike may be viewed from its website: [www.strikeresources.com.au](http://www.strikeresources.com.au)

Strike's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX code "SRK".

## Investment in Yowie Group Ltd (ASX:YOW)

Bentley is a major shareholder in Yowie with 9,956,110 shares (4.57%) held currently and as at 30 June 2019 (30 June 2018: 8,640,000 shares (3.99%)).

Bentley notes that:

- Keybridge is a major shareholder in Yowie with 13,752,903 shares (6.32%) held directly as at 30 June 2019 and 17,002,903 (7.808%)<sup>11</sup> held as at 19 July 2019; and
- Keybridge's Associate entity, HHY Fund (ASX:HHY), is a major shareholder in Yowie with 26,526,643 shares (12.18%)<sup>12</sup>.

Yowie is a global brand licensing company, specialising in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of Yowie characters. Yowie Group employs its intellectual property rights to supply Yowie branded chocolate confectionery product, a digital platform and Yowie branded licensed consumer products. Yowie's vision for the Yowie brand is to distribute on a widening basis the Yowie product in the USA, Australia and New Zealand with further international expansion.<sup>13</sup>

Information concerning Yowie may be viewed on its website: [www.yowiegroup.com](http://www.yowiegroup.com)

Yowie's market announcements may also be viewed from the ASX website ([www.asx.com.au](http://www.asx.com.au)) under ASX code "YOW".

## Investment in the Clime CBG Australian Equities Fund (Wholesale) (CBG Fund)<sup>14</sup>

As at 30 June 2019, Bentley had \$0.738 million (11.62% of its net assets) invested in the Clime CBG Australian Equities Fund (Wholesale) (CBG Fund) (2018: \$1.92 million (19.82%)).

During the financial year, Bentley redeemed a total of \$1.2 million from the CBG Fund to meet the costs of other investments and for working capital.

The 12-month performance of the CBG Fund to 30 June 2019 was +9.1% (2018: +2.8%) compared with its benchmark performance (S&P/ASX 200 Accumulation Index) of +11.5% (2018: +3.3%).

11 Refer KBC's ASX Announcement dated 19 July 2019: Change of Substantial Holder Notice for YOW

12 Refer HHY ASX Announcements dated 8 August 2018: Change of Substantial Holder Notice for YOW and 19 February 2018: Change of Substantial Holder Notice for YOW

13 Refer YOW's 2018 Annual Report released on ASX on 27 August 2018 and YOW's Half Year Report released on ASX on 26 February 2019

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

# DIRECTORS' REPORT

In July 2019, Bentley received \$0.105 million income distributions from the CBG Fund in respect of the financial year ended 30 June 2019 (2018: \$0.034 million). The 30 June 2019 carrying value above is "ex" entitlement to this income distribution.

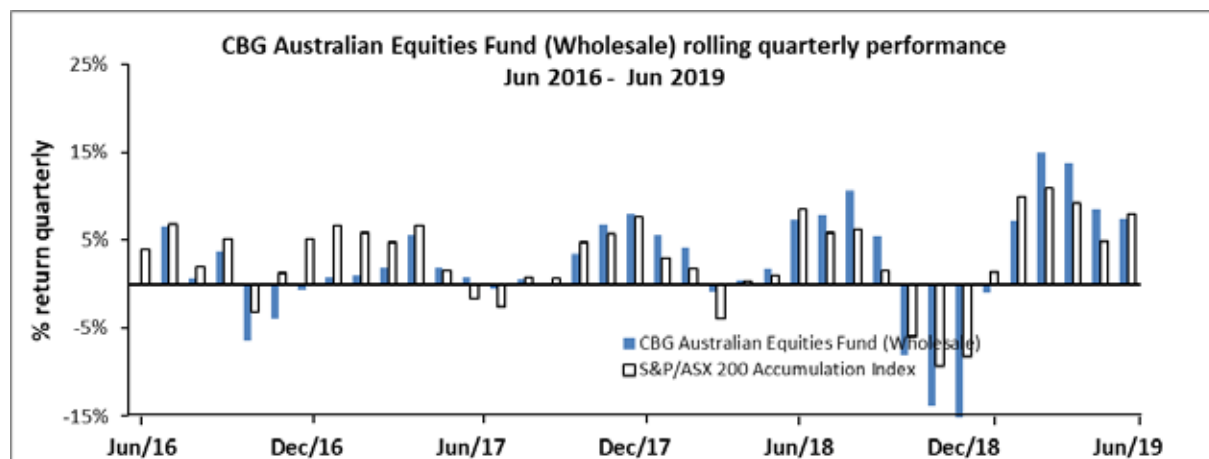
Bentley's investment in the CBG Fund has generated a \$0.348 million realised gain and \$0.328 million unrealised loss for the financial year (2018: \$0.724 million realised gain and \$0.36 million unrealised loss). The investment's unrealised gain (from historical cost) is \$0.62 million (2018: \$0.39 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 30 June 2019 are as follows:

- The equity weighting was 81.5% (2018: 96.2%);
- 70.2% of the equity portfolio is invested in companies contained within the S&P/ASX 200 Index (2018: 76.21%) with the balance of 29.8% invested in companies outside of the S&P/ASX 200 Index (2018: 23.79%); and
- The equity portfolio contained 31 holdings (2018: 32 holdings).

CBG Fund Returns To:	1 mth	3mths	6mths	1yr	2yrs	3yrs	Since Inception
30 June 2019	%	%	%	%	% p.a.	% p.a.	% p.a.
CBG Fund	1.2%	7.4%	23.6%	9.1%	12.0%	10.0%	9.4%
ASX / S&P 200 Accumulation Index	3.7%	8.0%	19.7%	11.5%	12.3%	12.9%	8.5%



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.

# DIRECTORS' REPORT

CBG Fund Top 20 Holdings		Fund Weight	CBG Fund Sector Weights		Fund Weight
ASX Code	Asset Name	30-Jun-19			30-Jun-19
BHP	BHP GROUP LIMITED	5.8%	Financials		23.9%
NAB	NATIONAL AUSTRALIA BANK LIMITED	5.4%	Consumer Discretionary		17.8%
WBC	WESTPAC BANKING CORPORATION	5.3%	Materials		15.5%
AMC	AMCOR PLC	5.3%	Cash/Hybrids/Fixed Interest		15.0%
CSL	CSL LIMITED	4.8%	Information Technology		12.5%
WEB	WEBJET LIMITED	3.6%	Industrials		6.4%
ANZ	ANZ BANKING GROUP LIMITED	3.4%	Health Care		4.8%
CCP	CREDIT CORP GROUP LIMITED	3.4%	Consumer Staples		3.3%
TWE	TREASURY WINE ESTATES LIMITED	3.3%	Energy		0.9%
NGI	NAVIGATOR GLOBAL INVESTMENTS LIMITED	3.0%			
ORA	ORORA LIMITED	3.0%			
SEK	SEEK LIMITED	3.0%			
APT	AFTERPAY TOUCH GROUP LIMITED	2.9%			
BVS	BRAVURA SOLUTIONS LIMITED	2.9%			
EOS	ELECTRO OPTIC SYSTEMS HOLDINGS LTD	2.8%			
GUD	G.U.D HOLDINGS LIMITED	2.7%			
LOV	LOVISA HOLDINGS LIMITED	2.7%			
HSN	HANSEN TECHNOLOGIES LIMITED	2.6%			
WES	WESFARMERS LIMITED	2.6%			
AD8	AUDINATE GROUP LIMITED	2.5%			

## Technology Operations

Bentley has a technology operation involved in software, Internet and applications development, which provides exposure to the Internet and social media applications. As at the date of this report, such operation is in the process of being closed down as it has not provided sufficient commercial returns to justify its continuation.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

## FUTURE DEVELOPMENTS

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

## ENVIRONMENTAL REGULATION

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

# DIRECTORS' REPORT

## DIRECTORS

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

<b>FAROOQ KHAN</b>	<b>Chairman</b>
<i>Appointed</i>	Director since 2 December 2003; Chairman since 10 February 2004
<i>Qualifications</i>	BJuris, LLB (Western Australia)
<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>	11,717,586 <sup>15</sup>
<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)
<i>Former directorships in other listed entities in past 3 years</i>	Nil

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<b>WILLIAM M. JOHNSON</b>	<b>Executive Director</b>
<i>Appointed</i>	Director since 13 March 2009; Executive Director since 1 January 2016
<i>Qualifications</i>	MA (Oxon), MBA, MAICD
<i>Experience</i>	William 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 mineral exploration and investment (Australia, Peru, Chile, Saudi Arabia, Oman, North Africa 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 corporate governance, business strategy and operations, 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) (3) Director of Molopo Energy Limited (ASX:MPO) (since 31 May 2018 <sup>16</sup> )
<i>Former directorships in other listed entities in past 3 years</i>	Non-Executive Director of Yowie Group Ltd (ASX:YOW) (10 April 2018 to 8 October 2018)

<sup>15</sup> Refer Bentley's ASX Announcements dated 19 July 2019: Change of Director's Interest Notice – F Khan, 6 June 2019: Change of Director's Interest Notice – F Khan and dated 22 March 2017: Notice of Initial Substantial Holder in BEL

<sup>16</sup> Refer MPO Notice of AGM and Explanatory Statement dated and released on ASX on 2 May 2018 and MPO's ASX announcement dated 31 May 2018: AGM Results

# DIRECTORS' REPORT

## SIMON K. CATO

### Non-Executive Director

#### Appointed

7 January 2015

#### Qualifications

B.A. (Sydney)

#### Experience

Simon Cato has had over 30 years' capital markets experience in broking, regulatory roles (with ASX in Sydney and Perth) and as a director of listed companies. From 1991 until 2006, he was an executive director and/or responsible executive of three stockbroking firms. During that time, Mr Cato was involved in the formation of a number of companies, including writing prospectuses and managing the listing process and has been through the process of IPO listing in the dual role of broker and director. Since 2006, Mr Cato has been an executive and non-executive director of a number of public listed companies with a range of different business activities and was a founding director of Greenland Minerals and Energy Limited.

#### Relevant interest in shares

None

#### Special Responsibilities

Chairman of the Audit and Remuneration Committees

#### Other current directorships in listed entities

- (1) Non-Executive Chairman of Advanced Share Registry Limited (ASX:ASW) (since 22 August 2007)
- (2) Non-Executive Director of Greenland Minerals and Energy Limited (ASX:GGG) (since 21 February 2006)
- (3) Non-Executive Director of Keybridge Capital Limited (ASX:KBC) (since 29 July 2016)

#### Former directorships in other listed entities in past 3 years

Nil

At the Company's 2018 AGM<sup>17</sup>, Simon Cato retired as a Director pursuant to the Company's Constitution and was re-elected a Director at that AGM.

## COMPANY SECRETARY

## VICTOR P. H. HO

### Company Secretary

#### Appointed

5 February 2004

#### Qualifications

BCom, LLB (Western Australia), CTA

#### Experience

Victor Ho has been in Executive roles with a number of ASX-listed companies across the investments, resources and technology sectors over the past 19 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 investment management of listed investment companies (as an Executive Director and/or a member of the Investment Committee), the structuring and execution of a number of corporate, M&A and international joint venture (in South America, Indonesia and the Middle East) transactions, capital raisings and capital management initiatives and has extensive experience in public company administration, corporations' law and stock exchange compliance and investor/shareholder relations.

#### Special Responsibilities

Member of the Investment Committee and Secretary of the Audit and Remuneration Committees

#### Relevant interest in shares

50,000 ordinary shares (held indirectly)

#### Other positions held in listed entities

Executive Director and Company Secretary of:

- (1) Orion Equities Limited (ASX:OEQ) (Secretary since 2 August 2000 and Director since 4 July 2003)
- (2) Queste Communications Ltd (ASX:QUE) (Secretary since 30 August 2000 and Director since 3 April 2013)
- (3) Strike Resources Limited (ASX:SRK) (Director since 24 January 2014 and Secretary since 1 October 2015)

Company Secretary of Keybridge Capital Limited (ASX:KBC) (since 13 October 2016)

#### Former position in other listed entities in past 3 years

Nil

17 Refer Bentley's ASX Announcement dated 21 November 2018: Results of 2018 Annual General Meeting

# DIRECTORS' REPORT

## DIRECTORS' MEETINGS

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

Name of Director	Board Meetings		Audit Committee		Remuneration Committee	
	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings	Attended	Max. Possible Meetings
Farooq Khan	4	4	-	-	-	-
William Johnson	4	4	2	2	-	-
Simon Cato	4	4	2	2	-	-

### Audit Committee

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

### Remuneration Committee

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



# REMUNERATION REPORT

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

The information provided under headings (1) to (7) below has been audited for compliance with section 300A of the *Corporations Act 2001 (Cth)* as required under section 308(3C).

## (1) Remuneration Policy

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

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

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

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

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

**Fixed Cash Short-term Employment Benefits:** The Key Management Personnel of the Company are paid a fixed amount per annum plus applicable employer superannuation contributions. The Non-Executive Directors of the Company are paid a maximum aggregate base remuneration of \$110,000<sup>18</sup> per annum inclusive of employer superannuation contributions where applicable, to be divided as the Board determines appropriate.

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

### Executive Directors

- (1) Mr Farooq Khan (Executive Chairman) – a base salary of \$175,000 per annum plus employer superannuation contributions; and
- (2) Mr William Johnson – a base salary of \$37,000 per annum plus employer superannuation contributions.

<sup>18</sup> As approved by shareholders at the Annual General Meeting held on 24 November 2005; refer Bentley's ASX announcement dated 25 October 2005: Notice of Annual General Meeting and Bentley's ASX announcement dated 24 November 2005: Results of 2005 AGM

# REMUNERATION REPORT

## Non-Executive Director

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

## Company Executive/Senior Manager

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

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

- (a) Payment for reimbursement of all travelling, hotel and other expenses reasonably incurred by a Director for the purpose of attending meetings of the Board or otherwise in and about the business of the Company; and
- (b) In respect of Non-Executive Directors, payment for the performance of extra services or the making of special exertions for the benefit of the Company (at the request of and with the concurrence of the Board).

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

**Long-Term Benefits:** Save for the PBS, the Company does not have any long-term incentive (LTI) cash bonus schemes (or equivalent) in place for Key Management Personnel.

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

**Post-Employment Benefits:** The Company does not presently provide retirement benefits to Key Management Personnel. Other than early termination benefits disclosed in 'Employment Agreement' below, Key Management Personnel also have no right to termination payments save for payment of accrued unused annual and long service leave (where applicable) (these accrued employee entitlements are not applicable in respect of Non-Executive Directors). The Company notes that shareholder approval is required where a Company proposes to make a "termination payment" (for example, a payment in lieu of notice, a payment for a post-employment restraint and payments made as a result of the automatic or accelerated vesting of share based payments) in excess of one year's "base salary" (defined as the average base salary over the previous 3 years) to a director or any person who holds a managerial or executive office.

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

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

# REMUNERATION REPORT

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

	2019	Restated 2018	2017	2016	2015
Profit/(Loss) Before Income Tax	(\$2,458,409)	(\$2,002,325)	(\$3,678,516)	\$526,080	(\$267,300)
Basic Earnings/(Loss) per share (cents)	(3.23)	(2.63)	(4.85)	0.70	(0.36)
Dividends Paid (total)	\$380,636	\$761,276	\$755,931	\$749,389	\$1,111,395
Dividends Paid (per share)	0.005	\$0.01	\$0.01	\$0.01	\$0.015
Capital Returns Paid (total)	-	-	-	-	-
Capital Returns Paid (per share)	-	-	-	-	-
VWAP Share Price on ASX for financial year	\$0.095	\$0.113	\$0.13	\$0.139	\$0.132
Closing Bid Share Price on ASX at 30 June	\$0.075	\$0.095	\$0.105	\$0.135	\$0.13

## (2) Performance Bonus Scheme (PBS)

The Company has a PBS which was introduced (in May 2010) for the benefit of members of the Investment Committee.

There were no entitlements arising under the PBS during the financial year (i.e. in respect of each of the half years ending 31 December 2018 and 30 June 2019).

# REMUNERATION REPORT

## (3) Details of Remuneration of Key Management Personnel

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

2019		Short-term Benefits			Post-Employment Benefits	Other Long-term Benefits	Equity-Based	Total
Key Management Personnel	Performance-related %	Cash salary and fees \$	Cash PBS entitlement \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & options \$	
Executive Directors:								
Farooq Khan	-	170,961 <sup>(a)</sup>	-	-	16,241	-	-	187,202
William Johnson	-	36,999	-	-	3,515	-	-	40,514
Non-Executive Director:								
Simon Cato	-	18,500	-	-	7,780	-	-	26,280
Company Secretary:								
Victor Ho	-	85,000	-	-	8,075	-	-	93,075

2018		Short-term Benefits			Post-Employment Benefits	Other Long-term Benefits	Equity-Based	Total
Key Management Personnel	Performance-related %	Cash salary and fees \$	Cash PBS entitlement \$	Non-cash benefit \$	Superannuation \$	Long service leave \$	Shares & options \$	
Executive Directors:								
Farooq Khan	-	174,999	-	-	16,625	-	-	191,624
William Johnson	-	36,999	-	-	3,515	-	-	40,514
Non-Executive Director:								
Simon Cato	-	18,000	-	-	8,280	-	-	26,280
Company Secretary:								
Victor Ho	-	84,999	-	-	8,075	-	-	93,074

Notes:

- (a) Net of an adjustment of \$4,039 (gross) in respect of unpaid annual leave taken during the 2019 year.

# REMUNERATION REPORT

## (4) Employment Agreements

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

Key Management Personnel and Position(s) Held	Relevant Date(s)	Base Salary/Fees per annum	Other Terms
Victor Ho (Company Secretary)	8 May 2015 (date of employment agreement)  5 February 2004 (commencement date, being the date of appointment as Company Secretary)  1 May 2010 (date of effect of remuneration)	\$85,000  plus employer superannuation contributions (currently 9.5% of base salary)  plus provision of office car parking	<ul style="list-style-type: none"> <li>The agreement has no fixed term or fixed rolling terms of service.</li> <li>Commitment to a minimum prescribed hours per week over the course of a 5 day working week plus reasonable additional time required by the Company.</li> <li>Standard annual leave (20 days) and personal/sick leave (10 days paid) entitlements plus entitlement to long service leave of 60 days after 7 years of service with an additional 5 days after each year of service thereafter.</li> <li>3 months' notice of termination by the Company and one month's notice of termination by employee. Immediate termination without notice if employee commits any serious act of misconduct.</li> <li>Not prohibited from also concurrently performing the role of director or company secretary of any other company or companies, to the extent that that it does not interfere with the proper performance of duties under the agreement.</li> <li>Entitlement to performance related cash bonuses as agreed with the Company from time to time – as at the date of this report, no bonus scheme has been established (save for the Performance Bonus Scheme)</li> </ul>

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

## (5) Other Benefits Provided to Key Management Personnel

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

## (6) Engagement of Remuneration Consultants

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

# REMUNERATION REPORT

## (7) Shares held by Key Management Personnel

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

Key Management Personnel	Balance at 30 June 2018	Additions	Received as part of remuneration	Disposals	Balance at 30 June 2019
<b>Executive Directors:</b>					
Farooq Khan	11,717,586	3,000,000 <sup>19</sup>	-	3,000,000 <sup>19</sup>	11,717,586
William Johnson	-	-	-	-	-
<b>Non-Executive Director:</b>					
Simon Cato	-	-	-	-	-
<b>Company Secretary:</b>					
Victor Ho	50,000	-	-	-	50,000

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

## (8) Voting and Comments on the Remuneration Report at the 2018 AGM

At the Company's most recent (2018) AGM, a resolution to adopt the prior year (2018) Remuneration Report was put to a vote and passed unanimously on a show of hands with the proxies received also indicating majority (75%) support in favour of adopting the Remuneration Report.<sup>20</sup>

No comments were made on the Remuneration Report at the AGM.

This concludes the audited Remuneration Report.

<sup>19</sup> Refer Bentley's ASX Announcement dated 6 June 2019: Change of Director's Interest Notice – F Khan

<sup>20</sup> Refer Bentley's ASX Announcement dated 21 November 2018: Results of 2018 Annual General Meeting

# DIRECTORS' REPORT

## DIRECTORS' AND OFFICERS' INSURANCE

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

## DIRECTORS' AND OFFICERS' DEEDS

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

- (a) The Company's obligation to indemnify an Officer for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the *Corporations Act 2001 (Cth)*); and
- (b) Subject to the terms of the deed and the *Corporations Act 2001 (Cth)*, the Company may advance monies to the Officer to meet any costs or expenses of the Officer incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of any legal proceedings brought against the Officer.

## LEGAL PROCEEDINGS ON BEHALF OF COMPANY

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

## AUDITORS

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

Auditor	Audit & Review Fees \$	Non-Audit Services \$	Total \$
Rothsay Auditing	\$22,000	-	\$22,000

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

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

# DIRECTORS' REPORT

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)* forms part of this Directors Report and is set out on page 24. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

## EVENTS SUBSEQUENT TO BALANCE DATE

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

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



Farooq Khan  
Chairman



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

30 August 2019





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

Dear Sirs

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

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 30 June 2019 financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Graham Swan FCA (Lead auditor)

Rothsay Auditing

Dated 30<sup>th</sup> August 2019



CHARTERED ACCOUNTANTS™  
AUSTRALIA • NEW ZEALAND

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2019

	Note	2019 \$	Restated 2018 \$
<b>REVENUE</b>			
<b>Investment</b>	2		
Dividend revenue		176,349	50,601
Interest revenue		1,839	6,853
<b>Other</b>			
Net gain on financial assets at fair value through profit or loss		-	411,644
Net gain on non-current asset held for sale		-	578,088
Other income		118,192	86,034
<b>TOTAL REVENUE AND INCOME</b>		<b>296,380</b>	<b>1,133,220</b>
<b>EXPENSES</b>	3		
Share of Associate entity's loss		-	(1,364,669)
Reversal of prior years' share of Associate entity's losses		2,997,490	-
Net loss on financial assets held at fair value through profit or loss (upon reclassification from investment in Associate entity)		(3,112,213)	-
Net loss on other financial assets at fair value through profit or loss		(348,244)	-
Net loss on non-current asset held for sale		(420,428)	-
Reversal of provision for doubtful debt - convertible note		-	22,774
Technology operations (including amortisation/write-off)		(1,056,015)	(981,927)
Corporate expenses		(54,679)	(60,477)
Occupancy expenses		(51,926)	(54,509)
Investment expenses		(18,193)	(20,614)
Finance expenses		(8,250)	(5,754)
Administration expenses		(682,331)	(670,369)
<b>LOSS BEFORE INCOME TAX</b>		<b>(2,458,409)</b>	<b>(2,002,325)</b>
Income tax expense	5	-	-
<b>LOSS FOR THE YEAR</b>		<b>(2,458,409)</b>	<b>(2,002,325)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Other Comprehensive Income, Net of Tax		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(2,458,409)</b>	<b>(2,002,325)</b>
<b>LOSS PER SHARE FOR LOSS ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE COMPANY:</b>			
Basic and diluted loss per share (cents)	6	(3.23)	(2.63)

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2019

	Note	2019 \$	Restated 2018 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	266,735	288,371
Financial assets at fair value through profit or loss	8	3,856,470	3,641,274
Non-current asset held for sale	9	2,364,907	2,785,335
Receivables	12	196,964	371,765
Other current assets		9,295	5,437
<b>TOTAL CURRENT ASSETS</b>		<b>6,694,371</b>	<b>7,092,182</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	12	10,206	10,113
Investment in Associate entity	22	-	2,302,023
Intangible assets	13	-	96,819
Property, plant and equipment		10,229	10,905
Deferred tax asset	5	1,929	14,805
<b>TOTAL NON-CURRENT ASSETS</b>		<b>22,364</b>	<b>2,434,665</b>
<b>TOTAL ASSETS</b>		<b>6,716,735</b>	<b>9,526,847</b>
<b>CURRENT LIABILITIES</b>			
Payables	14	147,010	117,281
Provisions	15	216,890	206,298
<b>TOTAL CURRENT LIABILITIES</b>		<b>363,900</b>	<b>323,579</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	5	1,929	14,805
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,929</b>	<b>14,805</b>
<b>TOTAL LIABILITIES</b>		<b>365,829</b>	<b>338,384</b>
<b>NET ASSETS</b>		<b>6,350,906</b>	<b>9,188,463</b>
<b>EQUITY</b>			
Issued capital	16	19,477,385	19,477,385
Profits reserve	17	3,297,878	3,677,026
Accumulated losses		(16,424,357)	(13,965,948)
<b>TOTAL EQUITY</b>		<b>6,350,906</b>	<b>9,188,463</b>

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

	Note	Issued capital \$	Profits reserve \$	Restated Accumulated losses \$	Total \$
<b>BALANCE AT 1 JULY 2017</b>		<b>19,477,385</b>	<b>2,790,918</b>	<b>(10,316,239)</b>	<b>11,952,064</b>
Loss for the year		-	-	(2,002,325)	(2,002,325)
Profits reserve transfer		-	1,647,384	(1,647,384)	-
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,647,384</b>	<b>(3,649,709)</b>	<b>(2,002,325)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid	17	-	(761,276)	-	(761,276)
<b>BALANCE AT 30 JUNE 2018</b>		<b>19,477,385</b>	<b>3,677,026</b>	<b>(13,965,948)</b>	<b>9,188,463</b>
<b>BALANCE AT 1 JULY 2018</b>		<b>19,477,385</b>	<b>3,677,026</b>	<b>(13,965,948)</b>	<b>9,188,463</b>
Loss for the year		-	-	(2,458,409)	(2,458,409)
Profits reserve transfer		-	-	-	-
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(2,458,409)</b>	<b>(2,458,409)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Dividends paid	17	-	(379,148)	-	(379,148)
<b>BALANCE AT 30 JUNE 2019</b>		<b>19,477,385</b>	<b>3,297,878</b>	<b>(16,424,357)</b>	<b>6,350,906</b>

The accompanying notes form part of these consolidated financial statements

# CONSOLIDATED STATEMENT OF CASH FLOWS

## for the year ended 30 June 2019

		2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		176,349	209,101
Interest received		1,839	5,918
Other income received		300,835	86,970
Payments to suppliers and employees		(1,503,406)	(1,565,917)
Sale/Redemption of financial assets at fair value through profit or loss		1,836,670	3,868,081
Purchase of financial assets at fair value through profit or loss		(212,810)	(2,093,857)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>7(a)</b>	<b>599,477</b>	<b>510,296</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for intangible assets		(241,896)	(47,563)
Purchase of plant and equipment		(5,978)	(2,998)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(247,874)</b>	<b>(50,561)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(373,199)	(739,786)
Return of capital		(40)	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(373,239)</b>	<b>(739,786)</b>
<b>NET DECREASE IN CASH HELD</b>		<b>(21,636)</b>	<b>(280,051)</b>
Cash and cash equivalents at beginning of financial year		288,371	568,422
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>7</b>	<b>266,735</b>	<b>288,371</b>

The accompanying notes form part of these consolidated financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 1. ABOUT THIS FINANCIAL REPORT

#### 1.1 Background

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

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

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

Information is considered material and relevant if, for example:

- (a) the amount in question is significant because of its size or nature;
- (b) it is important for understanding the results of the Consolidated Entity;
- (c) it helps to explain the impact of significant changes in the Consolidated Entity's business; or
- (d) it relates to an aspect of the Consolidated Entity's operations that may be important to its future performance.

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

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

#### Notes

2	Revenue
3	Expenses
4	Segment information
5	Tax
6	Earnings/(loss) per share

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

#### Notes

7	Cash and cash equivalents
8	Financial assets at fair value through profit or loss
9	Non-Current Asset held for sale
10	Financial risk management

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

#### Notes

11	Fair value measurement of financial instruments
12	Receivables
13	Intangible assets
14	Payables
15	Provisions

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

#### Notes

16	Issued capital
17	Profits reserve
18	Dividends
19	Capital risk management

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

#### Notes

20	Parent entity information
21	Investment in controlled entities
22	Investment in associate entity
23	Related party transactions

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

#### Notes

24	Auditors' remuneration
25	Contingencies
26	Events occurring after the reporting period

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 1.2 Basis of Preparation

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

#### Compliance with International Financial Reporting Standards (IFRS)

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

#### Reporting Basis and Financial Statement Presentation

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

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

### 1.3 Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company as at 30 June 2019 and the results of its subsidiaries for the year then ended. The Company and its subsidiaries are referred to in this financial report as Bentley or the Consolidated Entity.

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

### 1.4 Comparative Figures

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

### 1.5 Goods and Services Tax (GST)

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

### 1.6 Impairment of Assets

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

### 1.7 New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory have not been early adopted.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 1.8 Restatement of Comparatives

The comparative information has been restated to reflect correct presentation of the Associate entity's dividend payment to the Company. The dividend payment to the Company should have been eliminated from the Statement of Profit or Loss and Other Comprehensive Income, decreasing the carrying value of the investment in Associate entity, which impacts on the Statement of Financial Position. There is a change to profit before tax, other comprehensive income or earnings/(loss) per share as a result of these presentational changes.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reported 2018	Comparative Adjustment	Restated 2018
<b>REVENUE</b>	\$	\$	\$
<b>Investment</b>			
Dividend revenue	209,101	(158,500)	50,601
Interest revenue	6,853	-	6,853
<b>Other</b>			
Net gain on financial assets at fair value through profit or loss	411,644	-	411,644
Net gain on non-current asset held for sale	578,088	-	578,088
Other income	86,034	-	86,034
<b>TOTAL REVENUE AND INCOME</b>	<b>1,291,720</b>	<b>(158,500)</b>	<b>1,133,220</b>
<b>EXPENSES</b>			
Share of Associate entity's loss	(1,364,669)	-	(1,364,669)
Reversal of provision for doubtful debt - convertible note	22,774	-	22,774
Technology operations	(981,927)	-	(981,927)
Corporate expenses	(60,477)	-	(60,477)
Occupancy expenses	(54,509)	-	(54,509)
Investment expenses	(20,614)	-	(20,614)
Finance expenses	(5,754)	-	(5,754)
Administration expenses	(670,369)	-	(670,369)
<b>LOSS BEFORE INCOME TAX</b>	<b>(1,843,825)</b>	<b>-</b>	<b>(2,002,325)</b>
Basic and diluted loss per share (cent)	(2.42)	(0.21)	(2.63)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Reported 2018	Comparative Adjustment	Restated 2018
	\$	\$	\$
<b>TOTAL CURRENT ASSETS</b>	<b>7,092,182</b>	-	<b>7,092,182</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	10,113	-	10,113
Investment in Associate entity	2,460,523	(158,500)	2,302,023
Intangible assets	96,819	-	96,819
Property, plant and equipment	10,905	-	10,905
Deferred tax asset	14,805	-	14,805
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,593,165</b>	<b>(158,500)</b>	<b>2,434,665</b>
<b>TOTAL ASSETS</b>	<b>9,685,347</b>	<b>(158,500)</b>	<b>9,526,847</b>
<b>TOTAL LIABILITIES</b>	<b>338,384</b>	-	<b>338,384</b>
<b>NET ASSETS</b>	<b>9,346,963</b>	<b>(158,500)</b>	<b>9,188,463</b>
<b>EQUITY</b>			
Issued capital	19,477,385	-	19,477,385
Profits reserve	3,677,026	-	3,677,026
Accumulated losses	(13,807,448)	(158,500)	(13,965,948)
<b>TOTAL EQUITY</b>	<b>9,346,963</b>	<b>(158,500)</b>	<b>9,188,463</b>

### 1.9 Summary of Accounting Standards Issued But Not Yet Effective

The following new Accounting Standards and Interpretations (which have been released but not yet adopted) have been considered and is expected to have limited material impact on the Consolidated Entity's financial statements or the associated notes therein.

AASB reference	Title and Affected Standard(s)	Nature of Change	Application date
AASB 16	Leases	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 <i>Leases</i>. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p>	Annual reporting periods beginning on or after 1 January 2019

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 2. REVENUE

	2019	Restated 2018
	\$	\$
The consolidated loss before income tax includes the following items of revenue:		
<b>Investment</b>		
Dividend revenue	176,349	50,601
Interest revenue	1,839	6,853
	<u>178,188</u>	<u>57,454</u>
<b>Other</b>		
Net gain on financial assets at fair value through profit or loss	-	411,644
Net gain on non-current asset held for sale	-	578,088
Other income	118,192	86,034
	<u>296,380</u>	<u>1,133,220</u>

#### Accounting policy

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

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

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

**(b) Interest revenue**

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

**(c) Dividend revenue**

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

**(d) Other revenues**

Other revenues are recognised on an accruals basis.

### 3. EXPENSES

	2019	2018
	\$	\$
The consolidated loss before income tax includes the following items of expenses:		
Share of Associate entity's loss	-	1,364,669
Reversal of prior years' share of Associate entity's losses	(2,997,490)	-
Net loss on financial assets held at fair value through profit or loss (upon reclassification from investment in Associate entity)	3,112,213	-
Net loss on other financial assets held at fair value through profit or loss	348,244	-
Net loss on non-current asset held for sale	420,428	-
Reversal of provision for doubtful debt - convertible note	-	(22,774)
Technology operations		
Write-off of software development costs	-	136,945
Amortisation of software development assets	338,715	21,145
Other expenses	717,300	823,837

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 3. EXPENSES (continued)

	2019	2018
	\$	\$
Corporate expenses		
ASX fees	30,442	32,875
Share registry	17,741	21,536
Other corporate expenses	6,496	6,066
Occupancy expenses	51,926	54,509
Investment expenses		
Brokers' fees	3,633	6,510
Subscriptions	14,560	14,104
Finance expenses	8,250	5,754
Administration expenses		
Salaries, fees and employee benefits	353,633	358,971
Accounting, taxation and related administration	132,496	141,041
Office administration	97,063	88,596
Audit	22,000	22,000
Legal fees	14,829	14,948
Travel, accommodation and incidentals	1,509	3,547
Insurance	18,821	16,255
Depreciation	5,109	3,846
Other administration expenses	36,871	21,165
	<b>2,754,789</b>	<b>3,135,545</b>

### 4. SEGMENT INFORMATION

2019	Investments	Technology operations	Corporate	Total
	\$	\$	\$	\$
<b>Segment revenues</b>				
Revenue	294,648	-	-	294,648
Other	-	-	1,732	1,732
<b>Total segment revenues</b>	<b>294,648</b>	<b>-</b>	<b>1,732</b>	<b>296,380</b>
Net loss on financial assets at fair value through profit or loss	3,460,457	-	-	3,460,457
Net loss on non-current asset held for sale	420,428	-	-	420,428
Technology operations	-	807,884	-	807,884
Investment expenses	18,193	-	-	18,193
Administration expenses	-	14,169	35,384	49,553
Other expenses	(2,997,490)	241,832	753,932	(2,001,726)
<b>Total segment loss</b>	<b>(606,940)</b>	<b>(1,063,885)</b>	<b>(787,584)</b>	<b>(2,458,409)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 4. SEGMENT INFORMATION (continued)

	Investments	Technology operations	Corporate	Total
	\$	\$	\$	\$
<b>Segment assets</b>				
Cash and cash equivalents	-	-	266,735	266,735
Financial assets	3,856,470	-	-	3,856,470
Investment in Associate entity	-	-	-	-
Non-current asset held for sale	2,364,907	-	-	2,364,907
Intangible assets	-	-	-	-
Other assets	-	-	228,623	228,623
<b>Total segment assets</b>	<b>6,221,377</b>	<b>-</b>	<b>495,358</b>	<b>6,716,735</b>
<b>2018</b>				
<b>Segment revenues</b>				
Revenue	215,954	-	-	215,954
Net gain on financial assets at fair value through profit or loss	989,732	-	-	989,732
Other	-	5,369	80,665	86,034
<b>Total segment revenues</b>	<b>1,205,686</b>	<b>5,369</b>	<b>80,665</b>	<b>1,291,720</b>
Technology operations	-	985,727	-	985,727
Investment expenses	1,543,783	-	-	1,543,783
Administration expenses	-	-	643,838	643,838
Other expenses	-	2,667	118,030	120,697
<b>Total segment loss</b>	<b>(338,097)</b>	<b>(983,025)</b>	<b>(681,203)</b>	<b>(2,002,325)</b>
<b>Segment assets</b>				
Cash and cash equivalents	158,732	-	129,639	288,371
Financial assets	3,641,274	-	-	3,641,274
Investment in Associate entity	2,302,023	-	-	2,302,023
Non-current asset held for sale	2,785,335	-	-	2,785,335
Intangible assets	-	96,819	-	96,819
Other assets	-	4,996	408,029	413,025
<b>Total segment assets</b>	<b>8,887,364</b>	<b>101,815</b>	<b>537,668</b>	<b>9,526,847</b>

#### Accounting Policy

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 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) Technology operations 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. TAX

	2019	2018
<b>(a) The components of tax expense comprise:</b>	\$	\$
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
<b>(b) The prima facie tax on operating profit/(loss) before income tax is reconciled to the income tax as follows:</b>		
Prima facie tax payable on operating profit/(loss) before income tax at 27.5% (2018: 27.5%)	(676,063)	(550,639)
Adjust tax effect of:		
Non-deductible expenses	11,489	857
Franking credits	20,565	19,592
Current year tax losses not brought to account	644,009	530,190
<b>Income tax attributable to entity</b>	<u>-</u>	<u>-</u>

(c) Deferred taxes	Deferred tax assets		Deferred tax liabilities	
	2019	2018	2019	2018
	\$	\$	\$	\$
Employee benefits & accruals	15,249	13,961	-	-
Financial assets	361,833	-	-	14,805
Tax losses	(375,153)	844	1,929	-
	<u>1,929</u>	<u>14,805</u>	<u>1,929</u>	<u>14,805</u>

	Employee benefits	Financial assets	Tax losses	Total
<b>(i) Movements - deferred tax assets</b>	\$	\$	\$	\$
At 1 July 2017	12,740	537,631	(541,356)	9,015
Credited/(charged) to the profit and loss	1,221	(537,631)	542,200	5,790
At 30 June 2018	<u>13,961</u>	<u>-</u>	<u>844</u>	<u>14,805</u>
Credited/(charged) to the profit and loss	1,288	361,833	(375,997)	(12,876)
At 30 June 2019	<u>15,249</u>	<u>361,833</u>	<u>(375,153)</u>	<u>1,929</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 5. TAX (continued)

	Financial assets	Other \$	Total \$
(ii) Movements - deferred tax liabilities			
At 1 July 2017	-	9,015	9,015
Credited/(charged) to the profit and loss	14,805	(9,015)	5,790
At 30 June 2018	14,805	-	14,805
Credited/(charged) to the profit and loss	(14,805)	1,929	(12,876)
At 30 June 2019	-	1,929	1,929
		2019	2018
(iii) Unrecognised deferred tax balances		\$	\$
Unrecognised deferred tax asset - revenue losses		5,352,135	4,127,598
Unrecognised deferred tax asset - capital losses		342,593	598,018
		5,694,728	4,725,616

#### Critical accounting judgement and estimate

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

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

#### Accounting policy

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

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 5. TAX (continued)

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

### 6. LOSS PER SHARE

	2019	2018
	cents	cents
Basic and diluted loss per share	(3.23)	(2.63)

The following represents the loss and weighted average number of shares used in the EPS calculations:

	2019	2018
	\$	\$
Net loss after income tax	(2,458,409)	(2,002,325)

	Shares	Shares
Weighted average number of ordinary shares	76,127,918	76,127,918

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

#### Accounting policy

Basic loss per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial period.

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

### 7. CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at bank and in hand	266,735	288,371

#### Accounting policy

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 7. CASH AND CASH EQUIVALENTS (continued)

(a) Reconciliation of operating loss after income tax to net cash provided by operating activities	2019 \$	2018 \$
<b>Loss after income tax</b>	<b>(2,458,409)</b>	<b>(2,002,325)</b>
<b>Add non-cash items:</b>		
Depreciation	5,109	3,846
Write off of plant and equipment	1,544	-
Provision for doubtful debt reversal - convertible note	-	(22,774)
Share of Associate entity's loss	-	1,364,669
Reversal of prior years' share of Associate entity's losses	(2,997,490)	-
Amortisation of software development assets	338,715	21,145
Write off of software development costs	-	136,945
Net unrealised loss on financial assets at fair value through profit or loss	4,374,131	(364,742)
<b>Changes in assets and liabilities:</b>		
Financial assets at fair value through profit or loss	1,130,613	1,149,234
Receivables	174,802	(2,100)
Investment in Associate entity	-	158,500
Other current assets	(3,951)	(24,562)
Payables	29,730	88,022
Provisions	4,683	4,438
	<b>599,477</b>	<b>510,296</b>

### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

<b>Current</b>		
Investment in Keybridge Capital Limited (ASX:KBC) (refer also Note 22)	2,187,300	-
Other listed investments at fair value	521,333	1,287,774
Units in unlisted Clime CBG Australian Equities Fund (Wholesale) (CBG Fund)	737,760	1,918,173
Units in managed funds	410,077	435,327
	<b>3,856,470</b>	<b>3,641,274</b>

With effect on 30 June 2019, the Directors determined to change the accounting treatment/classification of its 20.17% interest (31,700,000 shares) in Keybridge Capital Limited (ASX:KBC) (30 June 2018: 20.05%; 31,700,000 shares) from being an investment in an Associate entity (accounted on an equity accounting basis under AASB 128) to being an investment in Financial Assets at Fair Value through Profit or Loss (accounted at fair value under AASB 9). This decision was made as a consequence of recent developments with respect to the composition of the Keybridge Board (refer Bentley's ASX Announcement dated 22 July 2019: Update on Investment in Keybridge Capital Limited).



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

#### Accounting policy

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition, financial assets at fair value through profit and loss acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 9: (Financial Instruments) will recognise its realised and unrealised gains and losses arising from changes in the fair value of these assets in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date which is the current bid price. The fair value of the unlisted units in the CBG Fund is determined from unit price information provided by investment manager, CBG Asset Management Limited. The Consolidated Entity's investment portfolio is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value.

### 9. NON-CURRENT ASSET HELD FOR SALE

	2019	2018
	\$	\$
Cost of investment	2,890,442	2,890,442
Revaluation gain/(loss) in Strike Resources Limited (ASX:SRK)	(525,535)	(105,107)
Investment at fair value	<u>2,364,907</u>	<u>2,785,335</u>

#### Accounting policy

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.

### 10. FINANCIAL RISK MANAGEMENT

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 10. FINANCIAL RISK MANAGEMENT (continued)

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

The Consolidated Entity holds the following financial assets and liabilities:		2019	2018
	Note	\$	\$
Cash and cash equivalents	7	266,735	288,371
Financial assets at fair value through profit or loss	8	3,856,470	3,641,274
Non-current asset held for sale	9	2,364,907	2,785,335
Receivables	12	196,964	371,765
		<b>6,685,076</b>	<b>7,086,745</b>
Payables	14	(147,010)	(117,281)
<b>Net financial assets</b>		<b>6,538,066</b>	<b>6,969,464</b>

#### (a) Market risk

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

##### (i) Price risk

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

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

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

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

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

	Impact on post-tax profit		Impact on equity	
	2019	2018	2019	2018
	\$	\$	\$	\$
Increase 5%	192,824	182,064	192,824	182,064
Decrease 5%	(192,824)	(182,064)	(192,824)	(182,064)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 10. FINANCIAL RISK MANAGEMENT (continued)

#### (ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Entity's exposure to market risk for changes in interest rates relate primarily to investments held in interest bearing instruments. The weighted average interest rate of the cash at bank for the year for the table below is 1.1% (2018: 1.35%)

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

	Impact on post-tax profit		Impact on equity	
	2019	2018	2019	2018
	\$	\$	\$	\$
Increase 1%	2,667	2,884	2,667	2,884
Decrease 1%	(2,667)	(2,884)	(2,667)	(2,884)

#### (b) Liquidity risk

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

#### (c) Credit risk

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

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

	2019	2018
Cash and cash equivalents	\$	\$
AA-	261,676	287,466
Receivables (due within 30 days)		
No external credit rating available	196,964	371,765

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 11. 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 2018 categorised by the following levels:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) 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
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### 2019

Financial assets at fair value through profit or loss:	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Listed investments at fair value	2,708,633	-	-	2,708,633
Units in unlisted CBG Fund	-	737,760	-	737,760
Units in managed funds	-	410,077	-	410,077
Non-current asset held for sale	2,364,907	-	-	2,364,907
	<b>5,073,540</b>	<b>1,147,837</b>	<b>-</b>	<b>6,221,377</b>

#### 2018

Financial assets at fair value through profit or loss:				
Listed investments at fair value	1,287,774	-	-	1,287,774
Units in unlisted CBG Fund	-	1,918,173	-	1,918,173
Units in managed funds	-	435,327	-	435,327
Non-current asset held for sale	2,785,335	-	-	2,785,335
	<b>4,073,109</b>	<b>2,353,500</b>	<b>-</b>	<b>6,426,609</b>

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

#### Accounting policy

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 11. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (continued)

#### Accounting policy (continued)

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

The Consolidated Entity's investment portfolio (comprising listed and unlisted securities) is accounted for as a "financial assets at fair value through profit and loss" and is carried at fair value based on the quoted last bid prices at the reporting date (refer to Note 8).

#### (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

		2019	2018
Financial assets	Note	\$	\$
Cash and cash equivalents		266,735	288,371
Receivables		196,964	371,765
		<u>463,699</u>	<u>660,136</u>
Financial liabilities			
Payables		(147,010)	(117,281)

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 12. RECEIVABLES

	2019	2018
	\$	\$
<b>Current</b>		
Deposits and bonds	63,750	63,750
Managed funds receivable (redemptions and income distributions)	120,660	303,303
Other receivables	12,554	4,712
	<b>196,964</b>	<b>371,765</b>
<b>Non current</b>		
Deposits and bonds	<b>10,206</b>	<b>10,113</b>

#### Accounting policy

AASB 9 (Financial Instruments) introduces a new expected credit loss (ECL) impairment model that requires the Consolidated Entity to adopt an ECL position across the Consolidated Entity's financial assets at 1 July 2018. The Consolidated Entity's receivables balance comprises deposits, GST refunds from the Australian Tax Office and distributions from managed trusts.

At each reporting date, the Consolidated Entity reviews the carrying value of its financial assets based on the ECL model under AASB 9, which proposes three approaches in assessing impairment:

- (i) the simplified approach (which will be applied to most trade receivables) which requires the recognition of lifetime ECLs by considering forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates;
- (ii) the general approach (which will be applied to most loans and debt securities) whereby ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Consolidated Entity will provide for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance will arise for credit losses expected over the remaining life of exposure, irrespective of the timing of the default; and
- (iii) For purchased or originated credit-impaired receivables, the fair value at initial recognition already takes into account lifetime expected losses. At each reporting date, the Consolidated Entity updates its estimated cash flows and adjusts the loss allowance accordingly.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Consolidated Entity uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Consolidated Entity's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The Consolidated Entity has not recognised any additional impairment to its current receivables or non-current receivables as a result of the application of AASB 9. This is due to the fact that the Consolidated Entity does not consider that there are any further ECL to the current carrying values of its current receivables or its non-current receivables.

#### Risk exposure

The Consolidated Entity's exposure to credit and interest rate risks is discussed in Note 10.

### 13. INTANGIBLE ASSETS

	2019	2018
	\$	\$
<b>Opening balance</b>	96,819	207,345
Software development costs	241,896	47,564
Write-off of software development costs	-	(136,945)
Amortisation of software development assets	(338,715)	(21,145)
<b>Closing balance</b>	<b>-</b>	<b>96,819</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 13. INTANGIBLE ASSETS (continued)

#### Critical accounting judgement and estimate

##### Indefinite life of intangible assets

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

##### Accounting policy

Expenditure during the research phase of a software development project is recognised as an expense when incurred. Development costs are capitalised only when:

- (a) the technical feasibility and commercial viability of the project is demonstrated;
- (b) the Consolidated Entity has an intention and ability to complete the project and use or sell it; and
- (c) the costs can be measured reliably.

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

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

### 14. PAYABLES

	2019	2018
	\$	\$
Trade payables	28,203	1,029
Other payables and accrued expenses	118,807	116,252
	<b>147,010</b>	<b>117,281</b>

#### Accounting policy

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

#### Risk exposure

The Consolidated Entity's exposure to risks arising from current payables is set out in Note 10.

### 15. PROVISIONS

	2019	2018
	\$	\$
Provision for returns of capital - refer (b)	94,166	94,206
Provision for dividends - refer (c)	67,275	61,326
Employee benefits - annual leave - refer (d)	30,487	31,067
Employee benefits - long service leave - refer (d)	24,962	19,699
	<b>216,890</b>	<b>206,298</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 15. PROVISIONS (continued)

#### Accounting policy

##### Short-term obligations

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

##### Other long-term employee benefit obligations

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

#### (a) Movements in Provisions

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

	Return of capital	Dividends	Total
	\$	\$	\$
Opening balance	94,206	61,326	155,532
Charged/(Credited) to equity	-	379,148	379,148
Amounts paid during the year	(40)	(373,199)	(373,239)
Closing balance	<b>94,166</b>	<b>67,275</b>	<b>161,441</b>

#### (b) Return of capital

The provision reflects historical returns of capital unclaimed by shareholders. Returns of capital have no effect on the total number of shares on issue nor the holdings of each shareholder.

#### (c) Dividends

The Company paid a 0.5 cent per share fully franked dividend to shareholders in July 2018 at a total cost of \$380,636. The provision reflects historical dividends unclaimed by shareholders.

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

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

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

	2019	2018
	\$	\$
Leave obligations expected to be settled after 12 months	24,962	19,699



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

16. ISSUED CAPITAL	2019	2018	2019	2018
	Number	Number		
Fully paid ordinary shares	76,127,918	76,127,918	19,477,385	19,477,385
<b>Movement in ordinary shares</b>	<b>Date of Issue</b>	<b>per share</b>	<b>of shares</b>	
<b>At 1 Jul 2017</b>		\$	<b>75,414,727</b>	<b>19,378,595</b>
Issue under dividend reinvestment plan	29-Sep-16	0.1399	358,298	50,131
Issue under dividend reinvestment plan	31-Mar-17	0.1371	354,893	48,659
<b>At 30 Jun 2018</b>			<b>76,127,918</b>	<b>19,477,385</b>

### Issues under Dividend Reinvestment Plan (DRP)

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

### Accounting policy

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

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

17. PROFITS RESERVE	2019	2018
	\$	\$
Profits reserve	3,297,878	3,677,026
<b>Opening balance</b>	3,677,026	2,790,918
Profits reserve transfer	-	1,647,384
Dividends paid - prior year adjustment	1,488	-
Dividends paid (Note 18)	(380,636)	(761,276)
<b>Closing balance</b>	<b>3,297,878</b>	<b>3,677,026</b>

### Accounting policy

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 18. DIVIDENDS

		2019	2018
	Paid On	\$	\$
Dividends paid during the financial year:			
0.50 cent per share fully franked dividend	31-Aug-17	-	380,640
0.50 cent per share fully franked dividend	25-Jan-18	-	380,636
0.50 cent per share fully franked dividend	20-Jul-18	380,636	-
		<b>380,636</b>	<b>761,276</b>
Dividends paid in cash or satisfied by the issue/transfer of shares under DRP were as follows:			
Paid in cash		355,010	705,509
Satisfied by issue/transfer of shares under DRP		25,626	55,767
		<b>380,636</b>	<b>761,276</b>

Pursuant to the Company's DRP Rules (updated on 1 August 2017), the Company acquired 229,840 shares on-market during the financial year to satisfy its obligations to the participants under the DRP.

	2019	2018
	\$	\$
Franking credits available for subsequent periods based on a tax rate of 27.5% (2018: 27.5%)	<b>1,143,398</b>	<b>1,371,517</b>

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

- (a) Franking credits that will arise from the receipt of dividends recognised as receivables at balance date;
- (b) Franking credits that will arise from the payment of the amount of the provision for income tax; and
- (c) Franking debits that will arise from the payment of dividends recognised as a liability at balance date.

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

#### Accounting policy

Provision is made for the amount of any dividend declared (being appropriately authorised and no longer at the discretion of the Company) on or before the end of the financial year but not distributed at the Balance Date.

### 19. CAPITAL RISK MANAGEMENT

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

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 20. PARENT ENTITY INFORMATION

The following information provided relates to the Company, Bentley Capital Limited, as at 30 June 2019.

	2019	2018
	\$	\$
<b>Statement of profit or loss and other comprehensive income</b>		
Loss for the year	(1,619,072)	(594,368)
Income tax	-	-
<b>Total comprehensive income for the year</b>	<b>(1,619,072)</b>	<b>(594,368)</b>
 <b>Statement of financial position</b>		
<b>Assets</b>		
Cash and cash equivalents	163,782	281,112
Financial assets at fair value through profit or loss	1,601,412	2,518,420
Investment in controlled entities	11,486,043	11,486,043
Non-current asset held for sale	2,364,907	2,785,335
Loans to controlled entities	3,353,446	2,293,585
Receivables	23,956	25,764
Property, plant and equipment	5,947	4,930
Other	9,295	4,917
<b>Total assets</b>	<b>19,008,788</b>	<b>19,400,106</b>
 <b>Liabilities</b>		
Loan from controlled entity	12,945,783	11,365,601
Payables	42,304	26,565
Provisions	200,704	189,723
<b>Total liabilities</b>	<b>13,188,791</b>	<b>11,581,889</b>
 <b>Net assets</b>	<b>5,819,997</b>	<b>7,818,217</b>
 <b>Equity</b>		
Issued capital	19,477,386	19,477,386
Profits reserve	2,263,332	2,642,480
Accumulated losses	(15,920,721)	(14,301,649)
<b>Equity</b>	<b>5,819,997</b>	<b>7,818,217</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 21. INVESTMENT IN CONTROLLED ENTITIES

Investment in controlled entities	Incorporated	Ownership interest	
		2019	2018
Scarborough Equities Pty Ltd	Australia	100%	100%
Scarborough Resources Pty Ltd	Australia	100%	100%
Bentley Portfolio No.1 Pty Ltd	Australia	100%	100%
Devisd Pty Limited	Australia	100%	100%
ShopBites Pty Limited	Australia	100%	100%
rdrc.it Pty Limited	Australia	100%	100%
Yurn.it Pty Limited	Australia	100%	100%
My Social Stream Pty Limited	Australia	50%	100%
Social Stream Inc	United States	-	100%
beaXchange Limited (incorporated on 11 October 2018)	Malta	100%	-
Tied OÜ (incorporated on 13 May 2019)	Estonia	100%	-

#### Accounting policy

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

The controlled entities have a June financial year-end except for the entities based in Malta and Estonia. All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

### 22. INVESTMENT IN ASSOCIATE ENTITY

	Ownership Interest		Restated	
	2019	2018	2019	2018
			\$	\$
Keybridge Capital Limited (ASX:KBC)	20.17%	20.05%	-	2,302,023
<b>Reconciliation of carrying amount:</b>				
Opening Balance			2,302,023	3,825,192
Reversal of prior years' share of net losses after tax			2,997,490	-
Change of classification to Financial asset (Note 8)			(5,299,513)	-
Share of net loss after tax			-	(1,364,669)
Dividend received			-	(158,500)
<b>Carrying amount on investment in Associate entities</b>			<b>-</b>	<b>2,302,023</b>

#### Keybridge Capital Limited (ASX:KBC) (Keybridge)

With effect on 30 June 2019, the Directors determined to change the accounting treatment/classification of its 20.17% interest (31,700,000 shares) in Keybridge Capital Limited (ASX:KBC) (30 June 2018: 20.05%; 31,700,000 shares) from being an investment in an Associate entity (accounted on an equity accounting basis under AASB 128) to being an investment in Financial Assets at Fair Value through Profit or Loss (accounted at fair value under AASB 9). This decision was made as a consequence of recent developments with respect to the composition of the Keybridge Board (refer Bentley's ASX Announcement dated 22 July 2019: Update on Investment in Keybridge Capital Limited).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 22. INVESTMENT IN ASSOCIATE ENTITY (continued)

	2019	2018
	\$	\$
Fair value (at market price on ASX) of listed investments in Associate entity	-	2,948,100
Net asset value of investment	-	4,730,015
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Revenue	-	3,022,361
Expenses	-	(9,828,220)
<b>Loss before income tax</b>	-	<b>(6,805,859)</b>
Income tax expense	-	-
<b>Loss after income tax</b>	-	<b>(6,805,859)</b>
Other comprehensive income	-	(2,557)
<b>Total comprehensive income</b>	-	<b>(6,808,416)</b>
<b>Summarised statement of financial position</b>		
Current assets	-	12,538,483
Non-current assets	-	7,482,814
<b>Total assets</b>	-	<b>20,021,297</b>
Current liabilities	-	320,116
Non-current liabilities	-	4,053,364
<b>Total liabilities</b>	-	<b>4,373,480</b>
<b>Net assets</b>	-	<b>15,647,817</b>

#### Accounting policy

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

A share of an Associate entity's net gain increases the investment (and a share of net loss decreases the investment) and dividend income received from an Associate entity decreases the investment. When the Consolidated Entity's share of losses in an Associate equals or exceeds its interest in the Associate, including any other unsecured long-term receivables, the Consolidated Entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the Associate.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended 30 June 2019

### 23. RELATED PARTY TRANSACTIONS

#### (a) Transactions with key management personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Consolidated Entity's KMP for the year ended 30 June 2019. The total remuneration paid to KMP of the Consolidated Entity during the year is as follows:

	2019	2018
	\$	\$
<b>Directors</b>		
Short-term employee benefits - other	226,460	229,998
Post-employment benefits	27,536	28,420
<b>Other KMP</b>		
Short-term employee benefits - other	85,000	84,999
Post-employment benefits	8,075	8,075
	<b>347,071</b>	<b>351,492</b>

#### (b) Transactions with other related parties

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

### 24. AUDITORS' REMUNERATION

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

	2019	2018
	\$	\$
<b>Rothsay Auditing</b>		
Audit and review of financial statements	22,000	22,000

### 25. CONTINGENCIES

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

### 26. EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) Subsequent to the balance date (and to 23 August 2019), the Consolidated Entity realised \$0.2 million from redemption from managed funds.

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

# DIRECTORS' DECLARATION

The Directors of the Company declare that:

- (1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and accompanying notes as set out on pages 25 to 53 are in accordance with the *Corporations Act 2001 (Cth)* and:
  - (a) comply with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting; and
  - (b) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of their performance for the year ended on that date;
- (2) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (3) The Directors have been given the declarations required by section 295A of the *Corporations Act 2001 (Cth)* by the Executive Chairman (the person who, in the opinion of the Directors, performs the Chief Executive Officer function) and Company Secretary (the person who, in the opinion of the Directors, performs the Chief Financial Officer function); and
- (4) The Company has included in the notes to the Financial Statements an explicit and unreserved statement of compliance with the International Financial Reporting Standards.

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



Farooq Khan  
Chairman



Simon Cato  
Non-Executive Director  
and Chairman of Audit Committee

30 August 2019



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## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF BENTLEY CAPITAL LIMITED**

### **Report on the Audit of the Financial Report**

#### ***Opinion***

We have audited the financial report of Bentley Capital Limited ("the Company") and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### ***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### ***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### ***Key Audit Matter***

##### **Investments**

The Group's portfolio of financial assets at fair value through profit or loss and non-current asset held for sale make up 93% of total assets by value and are considered to be the key driver of the Group's operations. We do not consider financial assets at fair value and non-current asset held for sale to be at a high risk of







significant misstatement or to be subject to a significant level of judgement. However due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall strategy and allocation of resources in planning and completing our audit.

Our procedures over the existence, completeness and valuation of the Group's portfolio of financial assets at fair value through profit or loss and non-current asset held for sale included but were not limited to:

- Documenting and assessing the processes and control environment in place to record transactions and to value the assets;
- Agreeing the fair value of the listed investments and the non-current asset held for sale to externally quoted prices, which was the closing bid price at 30 June 2019;
- Agreeing the fair value of the unlisted units to the unit price information provided by the investment manager;
- Agreeing holdings in financial assets at fair value and the non-current asset held for sale to independent third party documentation
- Performing a recalculation of the total value of investments ; and
- Ensuring compliance with AASB 5, AASB 13, AASB 128 and AASB 139.

We have also assessed the appropriateness of the disclosures included in Notes 3, 8, 9, 10, 11 and 22 to the financial report.

#### ***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### ***Directors' Responsibility for the Financial Report***

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



In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

#### ***Auditor's Responsibility for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/Home.aspx](http://www.auasb.gov.au/Home.aspx)

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

#### **Report on the Remuneration Report**

##### ***Opinion on the Remuneration Report***

We have audited the remuneration report included in the directors' report for the year ended 30 June 2019.

In our opinion the remuneration report of Bentley Capital Limited for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

#### ***Responsibilities***

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**Rothsay Auditing**  
Dated 30 August 2019

**Graham Swan FCA**  
Partner

# SECURITIES INFORMATION

## as at 30 June 2019

### DISTRIBUTION OF LISTED ORDINARY SHARES

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	1,000	232	113,168	0.15%
1,001	-	5,000	572	1,747,332	2.30%
5,001	-	10,000	321	2,382,026	3.13%
10,001	-	100,000	475	14,164,356	18.60%
100,001	-	and over	76	57,721,036	75.82%
<b>Total</b>			<b>1,676</b>	<b>76,127,918</b>	<b>100.00%</b>

### UNMARKETABLE PARCELS

Spread	of	Holdings	Number of Holders	Number of Shares	% of Total Issued Capital
1	-	6,666	930	2,598,384	3.41%
6,667	-	over	746	73,529,534	96.59%
<b>TOTAL</b>			<b>1,676</b>	<b>76,127,918</b>	<b>100.00%</b>

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 6,666 shares or less, being a value of \$500 or less in total, based upon the Company's last sale price on ASX as at 30 June 2019 of \$0.075 per share.

### SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Registered Shareholder	Total Number of Shares Held	% Voting Power
Queste Communications Ltd (ASX:QUE)	QUE OEQ	1,225,752 20,513,783	28.56% <sup>(1)</sup>
Mr Azhar Chaudhri, Renmuir Holdings Limited and Chi Tung Investments Ltd	QUE OEQ	1,225,752 20,513,783	28.56% <sup>(2)</sup>
Orion Equities Limited (ASX:OEQ)	OEQ	20,513,783	26.95%
Farooq Khan	Farooq Khan	11,717,586	15.39% <sup>(3)</sup>
Charles W Rockefeller Pty Ltd	Charles W Rockefeller Pty Ltd	4,042,232	5.31% <sup>(4)</sup>

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 initial substantial shareholding notice filed by Farooq Khan dated 22 March 2017 (updated to reflect current percentage voting power)
- (4) Based on the initial substantial shareholding notice filed by Charles W Rockefeller Pty Ltd dated 4 October 2016 (updated to reflect current registered shareholdings and percentage voting power).

# SECURITIES INFORMATION

## as at 30 June 2019

### TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

Rank	Shareholder	Shares Held	Total Shares Held	% Issued Capital
1	ORION EQUITIES LIMITED		20,513,783	26.95%
2	MR FAROOQ KHAN	8,717,586		
	MR FAROOQ KHAN + MS ROSANNA DE CAMPO	3,000,000		
	Sub-total		11,717,586	15.39%
3	CHARLES W ROCKEFELLER PTY LTD		4,042,232	5.31%
4	MR COLIN JOHN VAUGHAN + MRS ROBIN VAUGHAN		1,891,164	2.48%
5	MR JOHN ROBERT DILLON		1,489,019	1.96%
6	QUESTE COMMUNICATIONS LIMITED		1,225,752	1.61%
7	TADMARO PTY LIMITED		959,705	1.26%
8	AVANTEOS INVESTMENTS LIMITED		672,999	0.88%
9	MR EMIDIO MASI		610,000	0.80%
10	INGARSBY PTY LTD		600,000	0.79%
11	MR PAUL GERARD GRAFEN		506,789	0.67%
12	BOND STREET CUSTODIANS LIMITED		506,241	0.66%
13	KJ & ML GILROY PTY LTD		500,000	0.66%
14	MR PERCY SOHRAB MADON + MRS FARAH PERCY MADON		500,000	0.66%
15	FAP MADON PTY LTD		500,000	0.66%
16	MR JOHN STEPHEN CALVERT		463,213	0.61%
17	MR JINXIANG LU		425,000	0.56%
18	MR HANSJOERG ZINSLI + MRS ALISON NORAH ZINSLI		400,000	0.53%
19	MCMaster NOMINEES PTY LTD		400,000	0.53%
20	RAYANN PTY LTD		392,912	0.52%
<b>TOTAL</b>			<b>48,316,395</b>	<b>63.49%</b>