

# ASX RELEASE.

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## BELL FINANCIAL GROUP

9 August 2017

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

*Via ASX Online*

### **BELL FINANCIAL GROUP LIMITED – RESULTS FOR ANNOUNCEMENT TO THE MARKET**

In accordance with ASX Listing Rule 4.2A, the following half-year information is enclosed for immediate release:

1. Appendix 4D
2. Condensed Consolidated Interim Financial Report for the half-year ended 30 June 2017.

This information should be read in conjunction with the Annual Report for the year ended 31 December 2016.



**Cindy-Jane Lee**  
General Counsel & Company Secretary

## Appendix 4D (Half-year report)

### Results for announcement to the market

ASX Listing Rule 4.2A

### Bell Financial Group Limited ABN 59 083 194 763 and its controlled entities

Current period: 1 January 2017 to 30 June 2017  
Previous corresponding period: 1 January 2016 to 30 June 2016

	Half-year ended 30 June 2017 \$ '000	Half-year ended 30 June 2016 \$ '000	
Revenue from ordinary activities	<b>88,494</b>	84,743	Up 4.4%
Profit from ordinary activities after tax attributable to shareholders	<b>5,853</b>	5,727	Up 2.2%
Net profit for the period attributable to shareholders	<b>5,853</b>	5,727	Up 2.2%

<b>Dividend (fully franked)</b>	<b>Amount per share</b>	<b>Tax rate for franking credit</b>
2017 Interim dividend (to be paid 13 September 2017)	<b>2.00 cents</b>	<b>30%</b>
2016 Final dividend (paid 22 March 2017)	3.75 cents	30%

#### Interim dividend dates

Ex-dividend date	22 August 2017
Record date	23 August 2017
Payment date	13 September 2017

Net tangible assets per ordinary share	<b>\$0.20</b>	\$0.19
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#### Additional disclosure requirements

Entities over which control gained or lost during the period: Not applicable  
Dividend or distribution reinvestment plans: Not applicable

This information should be read in conjunction with the 2016 Annual Report of Bell Financial Group Limited and its controlled entities and any public announcements made during the period by Bell Financial Group Limited in accordance with the continuous disclosure requirements under the Corporations Act and the Listing Rules. Additional information required under Listing Rule 4.2A is located in the Condensed Consolidated Interim Financial Report for the half-year ended 30 June 2017 of Bell Financial Group Limited and its controlled entities (**Interim Financial Report**). This information is based on the Interim Financial Report, which has been reviewed by KPMG. The Independent Auditor's Report provided by KPMG is included in the Interim Financial Report.

Bell Financial Group Limited  
ABN 59 083 194 763

Condensed Consolidated Interim Financial Report  
30 June 2017

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The interim financial report does not include all the notes of the type normally included in an annual financial report. It is recommended that the interim financial report is read in conjunction with the 2016 Annual Report of Bell Financial Group Limited and any public announcements made by Bell Financial Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

# **Bell Financial Group Limited**

## **Directors' Report**

### **For the half-year ended 30 June 2017**

The directors of Bell Financial Group Limited (**Bell Financial**) present their report, together with the financial report, on the consolidated entity (**Group**) consisting of Bell Financial and its controlled entities for the half-year ended 30 June 2017.

#### **Directors**

The Directors of the Company during the half-year and until the date of this report are shown below:

#### **Executive Directors**

Colin Bell  
Alastair Provan

#### **Non-executive Directors**

Craig Coleman  
Graham Cubbin  
Brian Wilson AO  
Brenda Shanahan

All Directors held office for the entire period.

#### **Principal activities**

Bell Financial is an Australian-based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients. The Group has over 600 employees, operates across 14 offices in Australia and has offices in London and Hong Kong. Bell Financial has a 56.63% holding in Third Party Platform Pty Ltd (Bell Direct), an online stockbroking business.

#### **Review and results of operations**

The consolidated after tax result attributable to shareholders for the half-year ended 30 June 2017 was a \$5.9 million profit (2016: \$5.7 million profit).

The Company has declared a fully franked interim dividend of 2.00 cents per share (2016: 1.75 cents). The dividend record date is 23 August 2017 and payment is expected to be made on 13 September 2017.

#### **Events after the end of the financial half-year**

There has not arisen in the interval between the end of the half-year period and the date of this report, any matter or circumstance that has significantly affected, or may significantly affect, in the opinion of the Directors of Bell Financial:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

**Bell Financial Group Limited**  
**Directors' Report**  
**For the half-year ended 30 June 2017**

**Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 30 June 2017.

**Rounding of amounts**

Bell Financial is an entity to which *ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191* applies. Amounts in this report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made on 9 August 2017 in accordance with a resolution of the Directors.



**Colin Bell**  
Executive Chairman  
9 August 2017



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

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To the Directors of Bell Financial Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 30 June 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten signature of the KPMG logo in blue ink.

KPMG

A handwritten signature in blue ink that reads "Darren Scammell".

Darren Scammell

Partner

Melbourne

9 August 2017

**Bell Financial Group Limited**  
**Condensed Statement of Profit or Loss**  
**For the half-year ended 30 June 2017**

	<b>Consolidated half-year ended 30 June</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>
Rendering of services	81,560	75,241
Finance income	7,640	7,207
Net fair value gains / (losses)	(1,075)	1,979
Other income	369	316
<b>Total revenue</b>	<b>88,494</b>	<b>84,743</b>
Employee expenses	(55,722)	(52,855)
Depreciation and amortisation expenses	(847)	(673)
Occupancy expenses	(5,793)	(5,822)
Systems and communication expenses	(8,941)	(8,218)
Professional expenses	(1,541)	(1,259)
Finance expenses	(2,186)	(2,248)
Other expenses	(4,624)	(4,998)
<b>Total expenses</b>	<b>(79,654)</b>	<b>(76,073)</b>
<b>Profit / (loss) before income tax</b>	<b>8,840</b>	<b>8,670</b>
Income tax expense	(2,752)	(2,729)
<b>Profit / (loss) for the half-year</b>	<b>6,088</b>	<b>5,941</b>
<b>Attributable to:</b>		
Equity holders of the Company	5,853	5,727
Non-controlling interests	235	214
<b>Profit / (loss) for the half-year</b>	<b>6,088</b>	<b>5,941</b>
<b>Earnings per share:</b>	Cents	Cents
Basic earnings per share (AUD)	2.2	2.2
Diluted earnings per share (AUD)	2.2	2.2

The notes on pages 11 to 17 are an integral part of these Consolidated Interim Financial Statements.



**Bell Financial Group Limited**  
**Condensed Statement of Comprehensive Income**  
For the half-year ended 30 June 2017

	<b>Consolidated half-year ended 30 June</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Profit / (loss) for the half-year</b>	6,088	5,941
<b>Other comprehensive income</b>		
<b>Items that may be classified to profit or loss</b>		
Change in fair value of cash flow hedge	40	5
Foreign operations – foreign currency translation differences	(123)	(73)
<b>Other comprehensive income for the half-year, net of tax</b>	<u>(83)</u>	<u>(68)</u>
<b>Total comprehensive income for the half-year</b>	<u>6,005</u>	<u>5,873</u>
<b>Attributable to:</b>		
Equity holders of the Company	5,770	5,659
Non-controlling interests	235	214
<b>Total comprehensive income for the half-year</b>	<u>6,005</u>	<u>5,873</u>

The notes on pages 11 to 17 are an integral part of these Consolidated Interim Financial Statements.

**Bell Financial Group Limited**  
**Condensed Statement of Financial Position**  
**As at 30 June 2017**

<b>Consolidated</b>		
<b>Note</b>	<b>30 June 2017</b>	<b>31 Dec 2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Cash and cash equivalents	7. 143,737	189,830
Trade and other receivables	8. 191,426	71,358
Prepayments	558	685
Financial assets	1,776	3,015
Loans and advances	9. 283,967	227,398
Deferred tax assets	9,964	9,604
Property, plant and equipment	769	745
Goodwill	10. 130,413	130,413
Intangible assets	7,806	7,076
<b>Total assets</b>	<b>770,416</b>	<b>640,124</b>
<b>Liabilities</b>		
Trade and other payables	11. 260,175	131,280
Deposits and borrowings	12. 299,148	288,967
Current tax liabilities	772	725
Derivatives	8	48
Employee benefits	18,477	22,986
Provisions	300	750
<b>Total liabilities</b>	<b>578,880</b>	<b>444,756</b>
<b>Net assets</b>	<b>191,536</b>	<b>195,368</b>
<b>Equity</b>		
Contributed equity	14. 167,886	167,886
Other equity	1,806	1,806
Reserves	(937)	699
Non-controlling interests	5,253	5,018
Retained earnings	17,528	19,959
<b>Total equity attributable to equity holders of the Company</b>	<b>191,536</b>	<b>195,368</b>

The notes on pages 11 to 17 are an integral part of these Consolidated Interim Financial Statements.

**Bell Financial Group Limited**  
**Condensed Statement of Changes in Equity**  
For the half-year ended 30 June 2017

Consolidated	Share Capital	Other Equity	Treasury Shares Reserve	Share Based Payments Reserve	Cash Flow Hedge Reserve	Foreign Currency Reserve	Non-Controlling Interests	Retained Earnings	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 1 January 2016</b>	167,886	1,806	(2,273)	1,647	(17)	610	4,491	16,083	190,233
<b>Total comprehensive income</b>									
Profit / (loss) for the half-year	-	-	-	-	-	-	-	5,941	5,941
<b>Other comprehensive income</b>									
Change in fair value of cash flow hedges	-	-	-	-	5	-	-	-	5
Translation of foreign currency reserve	-	-	-	-	-	(73)	-	-	(73)
Total other comprehensive income	-	-	-	-	5	(73)	-	-	(68)
Total comprehensive income for the half-year	-	-	-	-	5	(73)	-	5,941	(5,873)
<b>Transactions with owners, directly in equity</b>									
Transfer of retained earnings	-	-	-	-	-	-	214	(214)	-
Share based payments	-	-	-	310	-	-	-	-	310
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Employee share awards exercised	-	-	167	(167)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(7,896)	(7,896)
<b>Balance at 30 June 2016</b>	167,886	1,806	(2,106)	1,790	(12)	537	4,705	13,914	188,520
<b>Balance at 1 January 2017</b>	167,886	1,806	(2,106)	2,324	(48)	529	5,018	19,959	195,368
<b>Total comprehensive income</b>									
Profit / (loss) for the half-year	-	-	-	-	-	-	-	6,088	6,088
<b>Other comprehensive income</b>									
Change in fair value of cash flow hedges	-	-	-	-	40	-	-	-	40
Translation of foreign currency reserve	-	-	-	-	-	(123)	-	-	(123)
Total other comprehensive income	-	-	-	-	40	(123)	-	-	(83)
Total comprehensive income for the half-year	-	-	-	-	40	(123)	-	6,088	6,005
<b>Transactions with owners, directly in equity</b>									
Transfer of retained earnings	-	-	-	-	-	-	235	(235)	-
Share based payments	-	-	-	74	-	-	-	-	74
Employee options expired	-	-	-	(1,627)	-	-	-	1,627	-
Employee share awards exercised	-	-	710	(710)	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(9,911)	(9,911)
<b>Balance at 30 June 2017</b>	167,886	1,806	(1,396)	61	(8)	406	5,253	17,528	191,536

The notes on pages 11 to 17 are an integral part of these Consolidated Interim Financial Statements.

**Bell Financial Group Limited**  
**Condensed Statement of Cash Flows**  
For the half-year ended 30 June 2017

	<b>Consolidated half-year ended 30 June</b>	
	<b>2017 \$'000</b>	<b>2016 \$'000</b>
<b>Cash flows from / (used in) operating activities</b>		
Cash receipts from customers and clients	215,676	117,839
Cash paid to suppliers and employees	(207,881)	(60,000)
Cash generated from / (used in) operations <sup>1</sup>	7,795	57,839
Dividends received	1	1
Interest received	7,662	7,178
Interest paid	(2,186)	(2,248)
Income taxes paid	(3,065)	(3,400)
<b>Net cash from / (used in) operating activities</b>	<b>10,207</b>	<b>59,370</b>
<b>Cash flows from / (used in) investing activities</b>		
Net proceeds from sale of investments	196	1,479
Acquisition of property, plant and equipment	(166)	(177)
Acquisition of other investments	(31)	-
<b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>1,302</b>
<b>Cash flows from / (used in) financing activities</b>		
Dividends paid	(9,911)	(7,896)
On market share purchases	-	-
<i>Bell Potter Capital (Margin Lending)</i>		
Deposits / (withdrawals) from client cash balances	10,181	20,201
(Drawdown) / repayment of margin loans	(56,569)	5,109
Drawdown / (repayment) of borrowings	-	(31,000)
<b>Net cash from / (used in) financing activities</b>	<b>(56,299)</b>	<b>(13,586)</b>
Net increase / (decrease) in cash and cash equivalents	(46,093)	47,086
Cash and cash equivalents at 1 January	189,830	112,333
<b>Cash and cash equivalents at 30 June</b>	<b>143,737</b>	<b>159,419</b>

The notes on pages 11 to 17 are an integral part of these Consolidated Interim Financial Statements.

1. 'Cash generated from operations' includes Group cash reserves and client balances. Refer to note 7 for further information on cash and cash equivalents.

**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements**  
**For the half-year ended 30 June 2017**

**1. Reporting entity**

Bell Financial Group Limited (“Bell Financial” or the “Company”) is domiciled in Australia. The address of the Company’s registered office is Level 29, 101 Collins Street, Melbourne, VIC. The Consolidated Financial Statements of the Company comprise the Company, and its controlled entities (the “Group” or “Consolidated Entity”).

The Annual Report of Bell Financial Group Limited for the year ended 31 December 2016 is available upon request from the Company’s registered office at Level 29, 101 Collins Street, Melbourne or at [www.bellfg.com.au](http://www.bellfg.com.au).

**2. Statement of compliance**

This condensed consolidated interim financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated 2016 Annual Report and any public announcements made by the Company during the interim reporting period.

This condensed consolidated interim financial report was approved by the Board of Directors on 9 August 2017.

Bell Financial is an entity to which *ASIC Corporations (Rounding in Financial/Directors’ Reports) Instruments 2016/191* applies. Amounts in this report have been rounded off in accordance with that instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**3. Significant accounting policies**

The accounting policies applied by the Group in this condensed consolidated interim financial report are consistent with those applied by the Group in its consolidated financial report as at and for the year ended 31 December 2016.

**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2017**

#### 4. Estimates

The preparation of the condensed consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2016. During the period, management reviewed estimates in respect of:

- Recovery of deferred tax assets;
- Impairment of loans and advances;
- Long service leave provisions;
- Legal provisions;
- Intangible assets; and
- Impairment of goodwill.

#### **Impairment of goodwill**

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill is allocated to the Retail and Wholesale segment which represents the lowest level at which it is monitored for internal management purposes.

The recoverable amount of the business to which each goodwill component is allocated to a cash-generating unit is estimated based on its value in use and is determined by discounting the future cash flows generated from continuing use. At 30 June 2017, goodwill allocated to the cash-generating units was \$57.5 million for Retail and \$72.9 million for the Wholesale segment.

#### *Key assumptions used in discounted cash flow projections*

The assumptions used for determining the recoverable amount are based on past experience and expectations for the future. Projected cash flows for each group of cash-generating units are discounted using an appropriate discount rate and a terminal value multiple is applied.

The following assumptions have been used in determining the recoverable amount of all segments:

Discount rates:	A range of discount rates was used with 11% being the mid-point of the range. The discount rate is a post-tax measure based on the risk-free rate, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific business.
Terminal value multiple:	A range of terminal value multiples was used with 7 times representing the mid-point of the range. The multiples were applied to extrapolate the discounted future maintainable after-tax cash flows beyond the five year forecast period.
Brokerage revenue:	An overall improvement in average brokerage revenue from current levels in both the wholesale and retail businesses.
Corporate fee income:	Corporate fee income maintained at current levels.

**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements (continued)**  
For the half-year ended 30 June 2017

## 5. Financial risk management

All aspects of the Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 31 December 2016.

## 6. Segment Reporting

Business segments

The segments reported below are consistent with internal reporting provided to the chief decision makers:

- Retail – equities, futures, foreign exchange, corporate fee income, portfolio administration services, margin lending and deposits; and
- Wholesale – equities and corporate fee income.

30 June 2017	Retail \$'000	Wholesale \$'000	Consolidated \$'000
Revenue from operations	75,098	13,396	88,494
Profit / (loss) after tax	4,969	1,119	6,088
Segment assets	690,769	79,647	770,416
<b>Total assets</b>	<b>690,769</b>	<b>79,647</b>	<b>770,416</b>
Segment liabilities	576,553	2,327	578,880
<b>Total liabilities</b>	<b>576,553</b>	<b>2,327</b>	<b>578,880</b>
<b>Other segment details</b>			
Interest revenue	7,640	-	7,640
Interest expense	(2,186)	-	(2,186)
Depreciation / amortisation	(825)	(22)	(847)
30 June 2016	Retail \$'000	Wholesale \$'000	Consolidated \$'000
Revenue from operations	67,299	17,444	84,743
Profit / (loss) after tax	3,255	2,686	5,941
Segment assets	605,726	79,984	685,710
<b>Total assets</b>	<b>605,726</b>	<b>79,984</b>	<b>685,710</b>
Segment liabilities	493,659	3,531	497,190
<b>Total liabilities</b>	<b>493,659</b>	<b>3,531</b>	<b>497,190</b>
<b>Other segment details</b>			
Interest revenue	7,207	-	7,207
Interest expense	(2,248)	-	(2,248)
Depreciation / amortisation	(645)	(28)	(673)

### Geographical segments

The Group operates predominantly within Australia and has offices in Hong Kong and London.

**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements (continued)**  
For the half-year ended 30 June 2017

**7. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group cash reserves<sup>1</sup></b>		
Cash on hand	12	12
Cash at bank	57,855	69,418
	<u>57,867</u>	<u>69,430</u>
<b>Margin lending cash</b>		
Cash at bank and short-term deposits	19,873	64,003
	<u>19,873</u>	<u>64,003</u>
<b>Client cash</b>		
Cash at bank (Trust account)	38,142	39,226
Segregated cash at bank (client)	27,855	17,171
	<u>65,997</u>	<u>56,397</u>
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<u>143,737</u>	<u>189,830</u>

Cash on hand and at bank earns interest at floating rates based on daily bank deposit rates.

Segregated cash and Trust bank balances earn interest at floating rates based on daily bank rates.

Segregated cash and Trust bank balances are restricted cash balances of the Group. A corresponding liability is recognised within trade and other payables (note 11).

**\$'000**

**<sup>1</sup> Group cash reserves – summary of key movements**

Group cash - 1 January 2017	<b>69,430</b>
Profit (before tax)	8,840
Tax instalments paid	(3,065)
Dividend paid	(9,911)
Clearing House deposits paid	(5,415)
Capitalised software development costs (net)	(877)
General Working Capital movement	(1,135)
Group cash - 30 June 2017	<u><b>57,867</b></u>

Movement in Group cash reflects:

- profit, offset by tax instalments paid and payment of the final 2016 dividend; and
- deposits (house cash) paid to Clearing Houses.



**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements (continued)**  
For the half-year ended 30 June 2017

**8. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade debtors	157,763	40,883
Less: provision for impairment	-	-
	<u>157,763</u>	<u>40,883</u>
Clearing house deposits	9,573	4,174
Segregated deposits with clearing brokers	21,043	22,311
Less: provision for impairment	-	-
	<u>30,616</u>	<u>26,485</u>
Sundry debtors	3,047	3,990
	<u>191,426</u>	<u>71,358</u>

**9. Loans and advances**

	<b>Consolidated</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Margin lending	283,967	227,398
	<u>283,967</u>	<u>227,398</u>

Loans and advances are repayable on demand. There were no impaired, past due or renegotiated loans at 30 June 2017 (2016: nil).

There is significant turnover in loans and advances. Based on historical experience the Group's expectation is all but approximately 8% of loans may be realised in the next 12 months (2016: 5%), with the balance being realised after 12 months.

**10. Goodwill**

	<b>Consolidated</b>
	<b>\$'000</b>
Balance at 1 July 2016	130,413
Impairment	-
Balance at 31 December 2016	<u>130,413</u>
Balance at 1 January 2017	130,413
Impairment	-
Balance at 30 June 2017	<u>130,413</u>

**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements (continued)**  
For the half-year ended 30 June 2017

**11. Trade and other payables**

	<b>Consolidated</b>	
	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
Settlement obligations	174,574	50,938
Sundry creditors and accruals	20,082	16,807
Segregated client liabilities	65,519	63,535
	<b>260,175</b>	<b>131,280</b>

Settlement obligations are non-interest bearing and are normally settled on 2-day terms. Sundry creditors are normally settled on 60-day terms.

**12. Deposits and borrowings**

This note provides information about the contractual terms of the Group's interest-bearing deposits and borrowings.

	<b>Consolidated</b>	
	<b>2017</b> <b>\$'000</b>	<b>2016</b> <b>\$'000</b>
Deposits (cash account) <sup>1</sup>	6,200	42,894
Due to Bell Cash Trust <sup>2</sup>	292,948	246,073
Cash advance facility <sup>3</sup>	-	-
	<b>299,148</b>	<b>288,967</b>

1 Borrowings relate to Margin Lending / Cash Account business (Bell Potter Capital) which are largely at call.

2 Represents funds held (Bell Cash Trust) which are held at call.

3 Represents drawn funds from available Bell Potter Capital cash advance facility of \$100m (2016:\$100m).

**Terms and debt repayment schedule**

Terms and conditions of outstanding deposits and borrowings were as follows:

<b>Consolidated</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>		<b>2016</b>	
	<b>Average effective interest rate</b>		<b>Face value</b>	<b>Carrying amount</b>	<b>Face value</b>	<b>Carrying amount</b>
Deposits (cash account)	1.18%	1.14%	6,200	6,200	42,894	42,894
Due to Bell Cash Trust	1.18%	1.14%	292,948	292,948	246,073	246,073
			<b>299,148</b>	<b>299,148</b>	<b>288,967</b>	<b>288,967</b>

**Bell Financial Group Limited**  
**Notes to the Condensed Interim Financial Statements (continued)**  
For the half-year ended 30 June 2017

### 13. Dividends

Dividends paid or declared by the Group to shareholders during the period were as follows:

	Cents per share	Total \$'000	Franked	Date of payment
<b>2017</b>				
Final 2016 ordinary	3.75	9,911	100%	22 March 2017
<b>2016</b>				
Final 2015 ordinary	3.0	7,896	100%	22 March 2016
Interim 2016 ordinary	1.75	4,606	100%	14 September 2016

### 14. Contributed equity

The authorised capital of the Group is \$167,885,511 (2016: \$167,885,511) representing 267,286,480 (2016: 267,286,480) fully paid ordinary shares. There were no shares issued during the period.

### 15. Subsequent events

No matters or circumstances have arisen since the end of the half-year period that in the opinion of the Directors of the Group have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### 16. Related parties

There have been no significant changes to the arrangements with related parties. Refer to the full 2016 Annual Report for details.

### 17. Commitments and contingencies

The Directors are of the opinion that apart from that already provided for in the financial statements, no further provisions are required in respect of any matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

## Bell Financial Group Limited Directors' Declaration

In the opinion of the Directors of Bell Financial Group Limited (**Bell Financial**):

1. the financial statements and notes set out on pages 6 to 17, are in accordance with the Corporations Act 2001, including:
  - (a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the six month period ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that Bell Financial will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



**Colin Bell**  
Executive Chairman  
9 August 2017



# Independent Auditor's Review Report

To the shareholders of Bell Financial Group Limited

## Report on the half-year Financial Report

### Conclusion

We have reviewed the accompanying **half-year Financial Report** of Bell Financial Group Limited (the Company).

The **Group** consists of the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **half-year Financial Report** comprises the:

- Condensed consolidated statement of financial position as at 30 June 2017;
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

## Responsibilities of the Directors for the half-year Financial Report

The Directors are responsible for:

- the preparation of the half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- for such internal control as the Directors determine is necessary to enable the preparation of the half-year Financial Report that is free from material misstatement, whether due to fraud or error.

## Auditor's responsibility for the review of the half-year Financial Report

Our responsibility is to express a conclusion on the half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Bell Financial Group Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

## Independence

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



KPMG



Darren Scammell

Partner

Melbourne

9 August 2017