

ASX RELEASE.

BELL FINANCIAL GROUP

10 August 2016

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 2016.

This information should be read in conjunction with the Annual Report for the year ended 31 December 2015.



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 2016 to 30 June 2016
Previous corresponding period:	1 January 2015 to 30 June 2015

	Half-year ended 30 June 2016 \$ '000	Half-year ended 30 June 2015 \$ '000	
Revenue from ordinary activities	84,743	83,040	Up 2.0%
Profit from ordinary activities after tax attributable to shareholders	5,727	5,719	Up 0.1%
Net profit for the period attributable to shareholders	5,727	5,719	Up 0.1%

Dividend (fully franked)	Amount per share	Tax rate for franking credit
2016 Interim dividend (to be paid 14 September 2016)	1.75 cents	30%
2015 Final dividend (paid 22 March 2016)	3 cents	30%

Interim dividend dates

Ex-dividend date	23 August 2016
Record date	24 August 2016
Payment date	14 September 2016

Net tangible assets per ordinary shares	\$0.19	\$0.18
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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 2015 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 2016 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 2016

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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 2015 Annual Report of Bell Financial Group Limited and any public announcements made by the 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 2016

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 as at and for the half-year ended 30 June 2016.

Directors

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

Executive Directors

Mr C Bell
Mr A Provan

Non-executive Directors

Mr C Coleman
Mr G Cubbin
Mr B Wilson
Mrs B 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 2016 was a \$5.7 million profit (2015: \$5.7 million profit).

The Company has declared fully franked interim dividend of 1.75 cents per shares (2015: 1.5 cents). The dividend record date is 24 August 2016 and payment is expected to be made on 14 September 2016.

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 2016

Directors' and officers' indemnity and insurance

Bell Financial has agreed to indemnify the Directors against all liabilities to another person (other than Bell Financial or related entity) that may arise from their position as officers of Bell Financial or its controlled entities, except where the liability arises out of conduct including a lack of good faith. Except for the above, neither Bell Financial nor any of its controlled entities has indemnified any person who is or has been an officer or auditor of Bell Financial or its controlled entities. Since the end of the previous financial year Bell Financial has paid a premium for an insurance policy for the benefit of the Directors, officers, company secretaries and senior executives. The insurance policy prohibits disclosure of the premium payable under the policy and the nature of the liability covered.

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 2016.

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 10 August 2016 in accordance with a resolution of the directors.



Colin Bell
Executive Chairman
10 August 2016

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

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 2016 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.

KPMG



Dean M Waters
Partner

Melbourne

10 August 2016

Bell Financial Group Limited
Condensed Statement of Profit or Loss
For the half-year ended 30 June 2016

	Consolidated half-year ended 30 June	
	2016 \$'000	2015 \$'000
Rendering of services	75,241	76,093
Finance income	7,207	6,310
Net fair value gains / losses	1,979	75
Other income	316	562
Total revenue	84,743	83,040
Employee expenses	(52,855)	(52,555)
Depreciation and amortisation expenses	(673)	(575)
Occupancy expenses	(5,822)	(6,052)
Systems and communication expenses	(8,218)	(7,790)
Professional expenses	(1,259)	(1,508)
Finance expenses	(2,248)	(1,871)
Other expenses	(4,998)	(4,499)
Total expenses	(76,073)	(74,850)
Profit / (loss) before income tax	8,670	8,190
Income tax expense	(2,729)	(2,335)
Profit / (loss) for the year	5,941	5,855
Attributable to:		
Equity holders of the Company	5,727	5,719
Non-controlling interests	214	136
Profit / (loss) for the year	5,941	5,855
Earnings per share:	Cents	Cents
Basic earnings per share (AUD)	2.2	2.3
Diluted earnings per share (AUD)	2.2	2.3

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 2016

	Consolidated half-year ended 30 June	
	2016 \$'000	2015 \$'000
Profit / (loss) for the year	5,941	5,855
Other comprehensive income		
Items that may be classified to profit or loss		
Change in fair value of cash flow hedge	5	(12)
Foreign operations – foreign currency translation differences	(73)	208
Other comprehensive income for the year, net of tax	(68)	196
Total comprehensive income for the year	5,873	6,051
Attributable to:		
Equity holders of the Company	5,659	5,915
Non-controlling interests	214	136
Total comprehensive income for the year	5,873	6,051

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 2016

Consolidated			
	Note	30 June 2016 \$'000	31 Dec 2015 \$'000
Assets			
Cash and cash equivalents	7.	159,419	112,333
Trade and other receivables	8.	146,003	170,313
Prepayments		612	586
Financial assets		2,654	2,120
Loans and advances	10.	229,410	234,519
Deferred tax assets		10,081	10,065
Property, plant and equipment		900	894
Goodwill	9.	130,413	130,413
Intangible assets		6,218	5,423
Total assets		685,710	666,666
Liabilities			
Trade and other payables	11.	257,906	219,786
Deposits and borrowings	12.	217,295	228,094
Current tax liabilities		1,622	2,265
Derivatives		12	17
Employee benefits		19,705	25,721
Provisions		650	550
Total liabilities		497,190	476,433
Net assets		188,520	190,233
Equity			
Contributed equity	14.	167,886	167,886
Other equity		1,806	1,806
Reserves		209	(33)
Non-controlling interests		4,705	4,491
Retained earnings		13,914	16,083
Total equity attributable to equity holders of the Company		188,520	190,233

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 2016

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
Balance at 1 January 2015	164,284	1,806	(1,940)	1,120	(60)	330	4,478	12,247	182,265
Total comprehensive income									
Profit / (loss) for the year	-	-	-	-	-	-	-	5,855	5,855
Other comprehensive income									
Change in fair value of cash flow hedges	-	-	-	-	(12)	-	-	-	(12)
Translation of foreign currency reserve	-	-	-	-	-	208	-	-	208
Total other comprehensive income	-	-	-	-	(12)	208	-	-	196
Total comprehensive income for the year	-	-	-	-	(12)	208	-	5,855	6,051
Transactions with owners, directly in equity									
Transfer of retained earnings	-	-	-	-	-	-	136	(136)	-
Share based payments	-	-	-	259	-	-	-	-	259
Purchase of treasury shares	-	-	(451)	-	-	-	-	-	(451)
Dividends	-	-	-	-	-	-	-	(5,120)	(5,120)
Balance at 30 June 2015	164,284	1,806	(2,391)	1,379	(72)	538	4,614	12,846	183,004
Balance at 1 January 2016	167,886	1,806	(2,273)	1,647	(17)	610	4,491	16,083	190,233
Total comprehensive income									
Profit / (loss) for the year	-	-	-	-	-	-	-	5,941	5,941
Other comprehensive income									
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 year	-	-	-	-	5	(73)	-	5,941	(5,873)
Transactions with owners, directly in equity									
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)
Balance at 30 June 2016	167,886	1,806	(2,106)	1,790	(12)	537	4,705	13,914	188,520

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 2016

	Consolidated half-year ended 30 June	
	2016 \$'000	2015 \$'000
Cash flows from / (used in) operating activities		
Cash receipts from customers and clients	117,839	154,283
Cash paid to suppliers and employees	(60,000)	(171,505)
Cash generated from / (used in) operations ¹	57,839	(17,222)
Dividends received	1	-
Interest received	7,178	6,325
Interest paid	(2,248)	(1,871)
Income taxes paid	(3,400)	(2,133)
Net cash from / (used in) operating activities	59,370	(14,901)
Cash flows from / (used in) investing activities		
Net proceeds from sale of investments	1,479	39
Acquisition of property, plant and equipment	(177)	(99)
Acquisition of other investments	-	(183)
Net cash from / (used in) investing activities	1,302	(243)
Cash flows from / (used in) financing activities		
Dividends paid	(7,896)	(5,120)
On market share purchases	-	(451)
<i>Bell Potter Capital (Margin Lending)</i>		
Deposits / (withdrawals) from client cash balances	20,201	(1,167)
(Drawdown) / repayment of margin loans	5,109	(30,222)
Drawdown / (repayment) of borrowings	(31,000)	20,000
Net cash from / (used in) financing activities	(13,586)	(16,960)
Net increase / (decrease) in cash and cash equivalents	47,086	(32,104)
Cash and cash equivalents at 1 January	112,333	143,539
Cash and cash equivalents at 30 June	159,419	111,435

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 2016

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 2015 is available upon request from the Company's registered office at Level 29, 101 Collins Street, Melbourne or at 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 2015 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 10 August 2016.

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 2015.

Bell Financial Group Limited
Notes to the Condensed Interim Financial Statements (continued)
For the year ended 30 June 2016

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 2015. 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 2016, 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 year ended 30 June 2016

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 2015.

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 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
Total assets	605,726	79,984	685,710
Segment liabilities	493,659	3,531	497,190
Total liabilities	493,659	3,531	497,190
Other segment details			
Interest revenue	7,207	-	7,207
Interest expense	(2,248)	-	(2,248)
Depreciation / amortisation	(645)	(28)	(673)

30 June 2015	Retail \$'000	Wholesale \$'000	Consolidated \$'000
Revenue from operations	66,563	16,477	83,040
Profit / (loss) after tax	3,696	2,159	5,855
Segment assets	540,079	79,984	620,063
Total assets	540,079	79,984	620,063
Segment liabilities	434,603	3,707	438,310
Total liabilities	434,603	3,707	438,310
Other segment details			
Interest revenue	6,310	-	6,310
Interest expense	(1,871)	-	(1,871)
Depreciation / amortisation	(556)	(19)	(575)

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 year ended 30 June 2016

7. Cash and cash equivalents

	Consolidated	
	2016	2015
	\$'000	\$'000
Group cash reserves¹		
Cash on hand	13	13
Cash at bank	48,313	59,650
	48,326	59,663
Margin lending cash		
Cash at bank and short-term deposits	-	-
	-	-
Client cash		
Cash at bank (Trust account)	92,795	34,859
Segregated cash at bank (client)	18,298	17,811
	111,093	52,670
Cash and cash equivalents in the Statement of Cash Flows	159,419	112,333

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
¹ Group cash reserves – summary of key movements	
Group cash - 1 January 2016	59,663
Profit (before tax)	8,670
Tax instalments paid	(3,400)
Dividend paid	(7,896)
Clearing House deposits released	3,284
Capitalised software development costs (net)	(942)
General Working Capital movement	(11,053)
Group cash - 30 June 2016	48,326

Movement in Group cash reflects:

- profit, offset by tax instalments paid and payment of the final 2015 dividend;
- deposits (house cash) released at Clearing Houses; and
- movement in working capital primarily attributable to:
 - payment of employee benefits (accrued December last year); and
 - an increase in short-term client funding requirements at 30 June 2016.

Bell Financial Group Limited
Notes to the Condensed Interim Financial Statements (continued)
For the year ended 30 June 2016

8. Trade and other receivables

	Consolidated	
	2016 \$'000	2015 \$'000
Trade debtors	115,434	142,779
Less: provision for impairment	-	-
	<u>115,434</u>	<u>142,779</u>
Clearing house deposits	6,386	9,668
Segregated deposits with clearing brokers	20,262	14,710
Less : provision for impairment	-	-
	<u>26,648</u>	<u>24,378</u>
Sundry debtors	3,921	3,156
	<u>146,003</u>	<u>170,313</u>

9. Goodwill

	Consolidated \$'000
Balance at 1 July 2015	130,413
Impairment	-
Balance at 31 December 2015	<u>130,413</u>
Balance at 1 January 2016	130,413
Impairment	-
Balance at 30 June 2016	<u>130,413</u>

10. Loans and advances

	Consolidated	
	2016 \$'000	2015 \$'000
Margin lending	229,410	234,519
	<u>229,410</u>	<u>234,519</u>

Loans and advances are repayable on demand. There were no impaired, past due or renegotiated loans at 30 June 2016 (2015: nil).

There is significant turnover in loans and advances. Based on historical experience the Group's expectation is all but approximately 1% of loans may be realised in the next 12 months (2015: 2%), with the balance being realised after 12 months.

Bell Financial Group Limited
Notes to the Condensed Interim Financial Statements (continued)
For the year ended 30 June 2016

11. Trade and other payables

	Consolidated	
	2016 \$'000	2015 \$'000
Settlement obligations	177,539	147,931
Sundry creditors and accruals	16,894	13,627
Segregated client liabilities	63,473	58,228
	257,906	219,786

Settlement obligations are non-interest bearing and are normally settled on 3-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.

	Consolidated	
	2016 \$'000	2015 \$'000
Deposits (cash account) ¹	25,336	151,029
Due to Bell Cash Trust ²	161,959	16,065
Cash advance facility ³	30,000	61,000
	217,295	228,094

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 (2015:\$100m).

Terms and debt repayment schedule

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

Consolidated	2016	2015	2016		2015	
	Average effective interest rate		Face value	Carrying amount	Face value	Carrying amount
Cash advance facility	2.55%	2.61%	30,000	30,000	61,000	61,000
Deposits (cash account)	1.12%	1.29%	25,336	25,336	151,029	151,029
Bell Cash Trust	1.12%	1.28%	161,959	161,959	16,065	16,065
			217,295	217,295	228,094	228,094

Bell Financial Group Limited
Notes to the Condensed Interim Financial Statements (continued)
For the year ended 30 June 2016

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
2016				
Final 2015 ordinary	3.0	7,896	100%	22 March 2016
2015				
Final 2014 ordinary	2.0	5,120	100%	20 March 2015
Interim 2015 ordinary	1.5	3,828	100%	14 September 2015

14. Contributed equity

The authorised capital of the Group is \$167,885,511 (2015: \$167,885,511) representing 267,286,480 (2015: 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 2015 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 ('the Company'):

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 2016 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 the Company 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
10 August 2016

Independent auditor's review report to the members of Bell Financial Group Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Bell Financial Group Limited, which comprises the condensed consolidated statements of financial position as at 30 June 2016, condensed consolidated income statements and condensed consolidated statements of comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statements 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 of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year period.

Directors' responsibility for the half-year financial report

The directors of the Company 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* and 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

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 2016 and its performance for the half-year period 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*.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bell Financial Group Limited is not 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 2016 and of its performance for the half-year period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

A handwritten signature in black ink, appearing to read 'Dean M Waters', written over a horizontal line.

Dean M Waters
Partner

Melbourne

10 August 2016