

12 August 2022

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

## RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF-YEAR ENDED 30 JUNE 2022

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

1. Appendix 4D
2. Interim Financial Report for the half-year ended 30 June 2022.

This information should be read in conjunction with the Annual Report for the year ended 31 December 2021.

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For more information, please contact:  
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This announcement was authorised for release by the Board.

## 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

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Current period:	1 January 2022 to 30 June 2022
Previous corresponding period:	1 January 2021 to 30 June 2021

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	<b>Half-year ended 30 June 2022 \$ '000</b>	Half-year ended 30 June 2021 \$ '000	
Revenue from ordinary activities	108,609	130,516	Down 16.8%
Profit from ordinary activities after tax attributable to shareholders	9,235	16,823	Down 45.1%
Net profit for the period attributable to shareholders	9,235	16,823	Down 45.1%

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<b>Dividend (fully franked)</b>	<b>Amount per share</b>	<b>Tax rate for franking credit</b>
2022 Interim dividend (to be paid 6 September 2022)	2.5 cents	30%
2021 Final dividend (paid 16 March 2022)	6.5 cents	30%

#### Interim dividend dates

Ex-dividend date	25 August 2022
Record date	26 August 2022
Payment date	6 September 2022

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Net tangible assets per ordinary share	<b>\$0.25</b>	<b>\$0.26</b>
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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 2021 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 2022 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 2022

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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 2021 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 2022

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 2022 and the auditor's review report thereon.

#### Directors

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

#### Executive Director

Alastair Provan

#### Non-executive Directors

Graham Cubbin

Brian Wilson AO

Christine Feldmanis

All Directors held office for the entire period, unless otherwise stated.

#### Principal activities

Bell Financial is an Australian-based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients. The Group is also a developer of proprietary technology, platforms, products and services for the Australian stockbroking market. With over 760 employees, Bell Financial operates across 13 offices in Australia and has offices in New York, London, Hong Kong and Kuala Lumpur.

#### Review and results of operations

The consolidated after tax result attributable to shareholders for the half-year ended 30 June 2022 was a \$9.2 million profit (2021: \$16.8 million profit).

The Company has declared a fully franked interim dividend of 2.5 cents per share (2021: 4.5 cents). The dividend record date is 26 August 2022 and payment is expected to be made on 6 September 2022.

At the date of issue of this interim financial report, current geopolitical events have had a major impact on global economies. The future impact on global and domestic economies and investment market indices is uncertain and continues to be monitored by Bell Financial Group.

As announced by Bell Financial Group on 16 February 2022, three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd have received notices from AUSTRAC requiring the appointment of an external auditor to carry out an audit of those entities' compliance with particular aspects of their obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).

AUSTRAC has appointed PwC as the external auditor. The audit is currently underway and the auditor's reports are due by 24 October 2022.

At this stage it is uncertain whether AUSTRAC will take any further action arising from the audit, or the nature of the action it may take if it decides to do so. Accordingly, the potential outcome and total costs and exposure in connection with the audit remain uncertain.

#### 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, results of those operations, or the state of affairs of the Group in future financial years.

**Bell Financial Group Limited**  
**Directors' Report**  
**For the half-year ended 30 June 2022**

**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 2022.

**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 12 August 2022 in accordance with a resolution of the Directors.



**Alastair Provan**  
Executive Chairman  
12 August 2022



# 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 of Bell Financial Group Limited for the half-year ended 30 June 2022 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 contravention of any applicable code of professional conduct in relation to the review.

KPMG

Chris Wooden

*Partner*

Melbourne

12 August 2022

**Bell Financial Group Limited**  
**Condensed Consolidated Statement of Profit or Loss**  
For the half-year ended 30 June 2022

	Note	Consolidated half-year ended 30 June	
		2022 \$'000	2021 \$'000
Rendering of services	7, 8.	98,425	118,604
Finance income		12,477	10,958
Investment (losses) / gains	9.	(3,072)	325
Other income		779	629
<b>Total revenue</b>		<b>108,609</b>	<b>130,516</b>
Employee expenses		(66,345)	(78,598)
Depreciation and amortisation expenses		(5,238)	(5,655)
Occupancy expenses		(1,242)	(1,551)
Other Systems and communication expenses		(5,639)	(5,287)
Market information expenses		(3,590)	(3,509)
ASX & Other Clearing expenses		(3,094)	(3,358)
Professional expenses		(2,498)	(1,522)
Finance expenses		(2,222)	(1,526)
Other expenses		(5,392)	(5,410)
<b>Total expenses</b>		<b>(95,260)</b>	<b>(106,416)</b>
<b>Profit before income tax</b>		<b>13,349</b>	<b>24,100</b>
Income tax expense		(4,114)	(7,277)
<b>Profit for the half-year</b>		<b>9,235</b>	<b>16,823</b>
<b>Attributable to:</b>			
Equity holders of the Company		9,235	16,823
<b>Profit for the half-year</b>		<b>9,235</b>	<b>16,823</b>
<b>Earnings per share:</b>		Cents	Cents
Basic earnings per share (AUD)		2.9	5.2
Diluted earnings per share (AUD)		2.9	5.2

The notes on pages 11 to 22 are an integral part of these Condensed Consolidated Interim Financial Statements.



**Bell Financial Group Limited**  
**Condensed Consolidated Statement of Comprehensive Income**  
For the half-year ended 30 June 2022

	<b>Consolidated half-year ended 30 June</b>	
	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Profit for the half-year</b>	9,235	16,823
<b>Other comprehensive income</b>		
<b>Items that may be classified to profit or loss</b>		
Change in fair value of cash flow hedge, net of tax	418	152
Foreign operations – foreign currency translation differences, net of tax	277	102
<b>Other comprehensive income for the half-year, net of tax</b>	695	254
<b>Total comprehensive income for the half-year</b>	9,930	17,077
<b>Attributable to:</b>		
Equity holders of the Company	9,930	17,077
<b>Total comprehensive income for the half-year</b>	9,930	17,077

The notes on pages 11 to 22 are an integral part of these Condensed Consolidated Interim Financial Statements.

**Bell Financial Group Limited**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2022**

<b>Consolidated</b>			
	<b>Note</b>	<b>30 June 2022 \$'000</b>	<b>31 Dec 2021 * \$'000</b>
<b>Assets</b>			
Cash and cash equivalents	10.	384,574	352,742
Trade and other receivables	11.	507,312	281,627*
Prepayments		837	1,201
Financial assets at fair value	16.	14,389	13,346
Derivative assets	16.	431	179
Loans and advances	12.	522,175	534,006
Right of use assets		40,400	12,179
Deferred tax assets		4,815	4,542
Property, plant and equipment		1,654	2,005
Goodwill	13.	130,413	130,413
Intangible assets	13.	15,086	14,796
<b>Total assets</b>		<b>1,622,086</b>	<b>1,347,036*</b>
<b>Liabilities</b>			
Trade and other payables	14.	765,994	457,340*
Deposits and borrowings	15.	552,694	573,100
Current tax liabilities		291	1,849
Lease liabilities		45,810	16,275
Derivative liabilities	16.	33	9
Employee benefits		29,514	58,917
Provisions		500	500
<b>Total liabilities</b>		<b>1,394,836</b>	<b>1,107,990*</b>
<b>Net assets</b>		<b>227,250</b>	<b>239,046</b>
<b>Equity</b>			
Contributed equity	18.	204,237	204,237
Other equity		(28,858)	(28,858)
Reserves		(738)	(555)
Retained earnings		52,609	64,222
<b>Total equity attributable to equity holders of the Company</b>		<b>227,250</b>	<b>239,046</b>

The notes on pages 11 to 22 are an integral part of these Condensed Consolidated Interim Financial Statements.

\* 31 December 2021 comparative amounts have been restated. Refer to note 3a for further information.

**Bell Financial Group Limited**  
**Condensed Consolidated Statement of Changes in Equity**  
**For the half-year ended 30 June 2022**

<b>Consolidated</b>	<b>Share Capital</b>	<b>Other Equity</b>	<b>Treasury Shares Reserve</b>	<b>Share Based Payments Reserve</b>	<b>Cash Flow Hedge Reserve</b>	<b>Foreign Currency Reserve</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>	<b>\$ '000</b>
<b>Balance at 31 December 2020 / 1 January 2021</b>	204,237	(28,858)	-	-	(238)	415	55,385	230,941
<b>Total comprehensive income</b>								
Profit / (loss) for the half-year	-	-	-	-	-	-	16,823	16,823
<b>Other comprehensive income</b>								
Change in fair value of cash flow hedges	-	-	-	-	152	-	-	152
Translation of foreign currency reserve	-	-	-	-	-	102	-	102
Total other comprehensive income	-	-	-	-	152	102	-	254
Total comprehensive income for the half-year	-	-	-	-	152	102	16,823	17,077
<b>Transactions with owners recorded directly in equity</b>								
Transfer of retained earnings	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-
Employee share awards exercised	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(20,848)	(20,848)
<b>Balance at 30 June 2021</b>	204,237	(28,858)	-	-	(86)	517	51,360	227,170
<b>Balance at 31 December 2021 / 1 January 2022</b>	204,237	(28,858)	(1,267)	-	13	699	64,222	239,046
<b>Total comprehensive income</b>								
Profit / (loss) for the half-year							9,235	9,235
<b>Other comprehensive income</b>								
Change in fair value of cash flow hedges					418			418
Translation of foreign currency reserve						277		277
Total other comprehensive income	-	-	-	-	418	277	9,235	9,930
Total comprehensive income for the half-year	-	-	-	-	418	277	9,235	9,930
<b>Transactions with owners recorded directly in equity</b>								
Transfer of retained earnings								
Purchase of treasury shares			(878)					(878)
Share based payments								
Employee share awards exercised								
Dividends							(20,848)	(20,848)
<b>Balance at 30 June 2022</b>	204,237	(28,858)	(2,145)	-	431	976	52,609	227,250

The notes on pages 11 to 22 are an integral part of these Condensed Consolidated Interim Financial Statements.

**Bell Financial Group Limited**  
**Condensed Consolidated Statement of Cash Flows**  
For the half-year ended 30 June 2022

	<b>Consolidated half-year ended 30 June</b>	
	<b>2022 \$'000</b>	<b>2021 \$'000</b>
<b>Cash flows from / (used in) operating activities</b>		
Cash receipts from customers and clients	104,588	125,798
Cash paid to suppliers and employees	(130,262)	(134,069)
Net cash from client related receivables and payables	90,025	(4,052)
Cash generated from / (used in) operations <sup>1</sup>	64,351	(12,323)
Dividends received	125	1
Interest received	12,321	11,003
Interest paid	(2,222)	(1,526)
Income taxes paid	(5,945)	(9,263)
<b>Net cash from / (used in) operating activities</b>	<b>68,630</b>	<b>(12,108)</b>
<b>Cash flows from / (used in) investing activities</b>		
Net proceeds from sale of investments	4,830	7,260
Acquisition of property, plant and equipment	(154)	(442)
Acquisition of other investments	(7,464)	(7,391)
<b>Net cash (used in) investing activities</b>	<b>(2,788)</b>	<b>(573)</b>
<b>Cash flows from / (used in) financing activities</b>		
Dividends paid	(20,848)	(20,848)
On market share purchases	(878)	-
Payment of lease liabilities	(2,059)	(5,278)
<i>Bell Potter Capital (Margin Lending)</i>		
Deposits / (withdrawals) from client cash balances	30,594	29,571
Drawdown / (Issuance) of margin loans	10,181	(45,125)
(Repayment) / Drawdown of borrowings	(51,000)	18,000
<b>Net cash (used in) financing activities</b>	<b>(34,010)</b>	<b>(23,680)</b>
Net increase / (decrease) in cash and cash equivalents	31,832	(36,361)
Cash and cash equivalents at 1 January	352,742	284,043
<b>Cash and cash equivalents at 30 June</b>	<b>384,574</b>	<b>247,682</b>

The notes on pages 11 to 22 are an integral part of these Condensed Consolidated Interim Financial Statements.

1. 'Cash generated from operations' includes Group cash reserves and client balances. Refer to note 10 for further information on cash and cash equivalents.

# Bell Financial Group Limited

## Notes to the Condensed Consolidated Interim Financial Statements

### For the half-year ended 30 June 2022

#### 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 2021 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 2021 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 12 August 2022.

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 the 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 2021, except for the below.

##### a) Comparative Amounts

2021 comparative numbers have been restated to reflect client and clearing broker positions on a gross basis that were previously netted. As a result, the following accounts have been restated: 31 December 2021 segregated deposits with clearing brokers have increased by \$39.6m (from \$122.6m to \$162.2m), and 31 December 2021 segregated client liabilities have increased by \$39.6m (from \$264.8m to \$304.4m). The impact on the opening balance of the comparative period was an increase of \$12.5m in both segregated deposits with clearing brokers and segregated client liabilities. There was no impact on profit or loss, retained earnings or earnings per share.

#### 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 2021. 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 and contingent liabilities

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2022**

**4. Estimates (continued)**

- Intangible assets
- Impairment of goodwill
- Financial assets

**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 Retail, Institutional, Technology and Platforms, and Products and Services which represents the 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 2022, goodwill allocated to the cash-generating units was \$22.6 million for Retail, \$31.4 million for Institutional, \$39.2 million for Technology & Platforms and \$37.2 million for Product & Services segment.

There were no indicators of impairment for the half-year ended 30 June 2022.

**Legal provisions and contingent liabilities**

From time to time, claims are raised against the Group by clients and third parties. The recognition of any provision requires judgement to determine management's best estimate of the provision. As at 30 June 2022, a \$500,000 provision has been accrued against known potential claims.

As announced by Bell Financial Group on 16 February 2022, three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd have received notices from AUSTRAC requiring the appointment of an external auditor to carry out an audit of those entities' compliance with particular aspects of their obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).

AUSTRAC has appointed PwC as the external auditor. The audit is currently underway and the auditor's reports are due by 24 October 2022.

At this stage it is uncertain whether AUSTRAC will take any further action arising from the audit, or the nature of the action it may take if it decides to do so. Accordingly, the potential outcome and total costs and exposure in connection with the audit remain uncertain. Consequently, no provision has been recognised as at the date of this interim financial report.

**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 2021.

**6. Determination of fair value**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined and disclosed based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

*Investments in equity*

The fair values of financial assets at fair value through profit or loss are determined with reference to the quoted bid price, or if unquoted determined using a valuation model at reporting date.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

## 6. Determination of fair value (continued)

### *Derivatives*

The fair value of interest rate swaps is based on a mark-to-market model with reference to prevailing fixed and floating interest rates. These quotes are tested for reasonableness by discounting estimated future cash flows based on term to maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The fair value of currency swaps is determined using quoted forward exchange rates at the reporting date and present value calculations based on high quality yield curves in the respective currencies.

### *Share based payments*

The fair value of employee stock options is determined using the Black Scholes model. Measurement inputs include share price, exercise price, volatility, weighted average expected life of the instrument, expected dividends and risk free interest rate. Service and nonmarket conditions are not taken into account in determining fair value.

### *Financial assets and loans at fair value through profit or loss*

The fair value of options is determined using the Black Scholes option-pricing model.

Determination of fair value for loans is based on the option value used to mitigate the risk on the limited recourse margin loans and the interest rate implicit in the loan.

## 7. Segment Reporting

### Business segments

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

- Technology & Platforms – Proprietary technology and platforms including online broking.
- Products & Services – Margin lending, Cash, Portfolio Administration and Superannuation Solutions products and services
- Retail – traditional retail client broking (Retail client focus),
- Institutional – traditional wholesale client broking (Institutional and Wholesale client focus).

	<b>Technology &amp; Platforms</b>	<b>Products &amp; Services</b>	<b>Retail</b>	<b>Institutional</b>	<b>Consolidated</b>
<b>30 June 2022</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue from operations	12,297	11,344	57,877	16,907	98,425
Profit after tax	2,282	5,392	846	715	9,235
Segment assets	283,029	580,543	700,550	57,964	1,622,086
<b>Total assets</b>	<b>283,029</b>	<b>580,543</b>	<b>700,550</b>	<b>57,964</b>	<b>1,622,086</b>
Segment liabilities	199,900	530,441	656,743	7,752	1,394,836
<b>Total liabilities</b>	<b>199,900</b>	<b>530,441</b>	<b>656,743</b>	<b>7,752</b>	<b>1,394,836</b>
<b>Other segment details</b>					
Finance revenue	32	11,897	548	-	12,477
Finance expense	(63)	(1,232)	(781)	(146)	(2,222)
Depreciation / amortisation	(1,392)	(73)	(3,194)	(579)	(5,238)

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

**7. Segment Reporting (continued)**

	Technology & Platforms	Products & Services	Retail	Institutional	Consolidated
30 June 2021	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from operations	12,353	11,575	65,081	29,595	118,604
Profit after tax	2,088	5,291	3,195	6,249	16,823
Segment assets	193,268	599,463	335,257	68,364	1,196,352
<b>Total assets</b>	<b>193,268</b>	<b>599,463</b>	<b>335,257</b>	<b>68,364</b>	<b>1,196,352</b>
Segment liabilities	120,123	550,193	281,472	17,394	969,182
<b>Total liabilities</b>	<b>120,123</b>	<b>550,193</b>	<b>281,472</b>	<b>17,394</b>	<b>969,182</b>
<b>Other segment details</b>					
Finance revenue	34	10,625	299	-	10,958
Finance expense	(22)	(1,034)	(417)	(53)	(1,526)
Depreciation / amortisation	(1,246)	(81)	(3,627)	(701)	(5,655)

**Geographical segments**

The Group operates predominantly within Australia and has offices in Hong Kong, London, New York and Kuala Lumpur.

**8. Revenue**

The Group's operations and main revenue streams are those described in the last annual financial statements. The below Group's revenue is derived from contracts with customers.

In the following table, revenue is disaggregated by major products and service lines. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments in note 7.

	Technology & Platforms		Products & Services		Retail		Institutional		Consolidated	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Brokerage	10,446	11,715	101	100	50,901	50,474	4,561	5,043	66,009	67,332
Fee income	208	83	-	-	6,884	14,547	12,154	24,334	19,246	38,964
Portfolio administration revenue	-	-	10,892	11,099	-	-	-	-	10,892	11,099
Other	1,643	555	351	376	92	60	192	218	2,278	1,209
	<b>12,297</b>	<b>12,353</b>	<b>11,344</b>	<b>11,575</b>	<b>57,877</b>	<b>65,081</b>	<b>16,907</b>	<b>29,595</b>	<b>98,425</b>	<b>118,604</b>



**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

**9. Investment (losses) / gains**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends received	125	1
Profit / (loss) on financial assets held at fair value through profit or loss - Shares in listed corporations and unlisted options held in listed corporations	(1,132)	1,871
Profit / (loss) on financial assets held at fair value through profit or loss - Geared equity investments <sup>1</sup>	(2,065)	(1,547)
	<u>(3,072)</u>	<u>325</u>

<sup>1</sup>. The fair value is based on the option value used to mitigate the risk on the limited recourse margin loans and the interest rate implicit in the loan.

**10. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group cash reserves<sup>1</sup></b>		
Cash on hand	13	13
Cash at bank	83,969	136,480
	<u>83,982</u>	<u>136,493</u>
<b>Margin lending cash</b>		
Cash at bank	28,894	36,840
	<u>28,894</u>	<u>36,840</u>
<b>Client cash</b>		
Cash at bank (Trust account)	51,147	49,634
Cash at bank (Segregated account)	220,551	129,775
	<u>271,698</u>	<u>179,409</u>
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<u>384,574</u>	<u>352,742</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 client funds, and are not available for general use by the Group. A corresponding liability is recognised within trade and other payables (note 14).

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

**10. Cash and cash equivalents (continued)**

<b><sup>1</sup> Group Cash – summary of key movements</b>	<b>2022</b>
	<b>\$'000</b>
Group cash - 1 January	<b>136,493</b>
<b>Cash profit</b>	
Cash Revenue	112,945
Less Cash Expenses	
Employee expenses	(97,397)
Occupancy expenses	(4,262)
Systems and communications	(5,639)
Market information expenses	(3,590)
ASX & Other clearing expenses	(3,094)
Professional expenses	(2,498)
Finance expenses	(1,263)
Other expenses	(5,392)
Total expenses	<u>(123,135)</u>
Net Cash operating profit	(10,190)
 <b>Balance Sheet</b>	
Tax instalments paid	(5,945)
Dividends paid	(20,848)
Clearing house deposits paid	(10,372)
Financial asset purchases (net)	(2,634)
Acquisition of property, plant and equipment	(154)
General working capital movement	(2,368)
Group cash balance - 30 June 2022	<u><b>83,982</b></u>

**11. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021 *</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade debtors	254,777	100,905
Less: provision for impairment	-	-
	<u>254,777</u>	<u>100,905</u>
Clearing house deposits	19,140	9,488
Segregated deposits with clearing brokers	223,146	162,125*
Less: provision for impairment	-	-
	<u>242,286</u>	<u>171,613*</u>
Sundry debtors	10,249	9,109
	<u>507,312</u>	<u>281,627*</u>

No impairment allowance in respect of trades and other receivables noted at 30 June 2022 (2021: Nil). There are no amounts in arrears or past due.

\* 31 December 2021 comparative amounts have been restated. Refer to note 3a for further information.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

**12. Loans and advances**

	<b>Consolidated</b>	
	<b>2022</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>
Margin Loans measured at amortised cost	439,000	444,119
Margin Loans measured at fair value through profit and loss	83,175	89,887
	<u>522,175</u>	<u>534,006</u>

There were no impaired, past due or renegotiated loans at 30 June 2022 (2021: nil).

**13. Goodwill and intangible assets**

	<b>Goodwill</b> <b>\$'000</b>	<b>Consolidated Identifiable intangibles</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
<b>Cost</b>			
Balance at 1 January 2021	130,413	23,965	154,378
Acquisitions - internally developed	-	3,451	3,451
Balance at 31 December 2021	<u>130,413</u>	<u>27,416</u>	<u>157,829</u>
Balance at 1 January 2022	130,413	27,416	157,829
Acquisitions - internally developed	-	1,650	1,650
Balance at 30 June 2022	<u>130,413</u>	<u>29,066</u>	<u>159,479</u>
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 January 2021	-	(10,204)	(10,204)
Amortisation	-	(2,416)	(2,416)
Balance at 31 December 2021	<u>-</u>	<u>(12,620)</u>	<u>(12,620)</u>
Balance at 1 January 2022	-	(12,620)	(12,620)
Amortisation	-	(1,360)	(1,360)
Balance at 30 June 2022	<u>-</u>	<u>(13,980)</u>	<u>(13,980)</u>
<b>Carrying amount</b>			
At 1 January 2021	130,413	13,761	144,174
At 31 December 2021	<u>130,413</u>	<u>14,796</u>	<u>145,209</u>
At 30 June 2022	<u>130,413</u>	<u>15,086</u>	<u>145,499</u>

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

**14. Trade and other payables**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021 *</b>
	<b>\$'000</b>	<b>\$'000</b>
Settlement obligations	287,237	132,524
Sundry creditors and accruals	24,247	20,511
Segregated client liabilities	454,510	304,305*
	<u>765,994</u>	<u>457,340*</u>

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

\* 31 December 2021 comparative amounts have been restated. Refer to note 3a for further information.

**15. Deposits and borrowings**

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

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits <sup>1</sup>	1,588	1,449
Bell Financial Trust <sup>2</sup>	510,106	479,651
Cash advance facility <sup>3</sup>	41,000	92,000
	<u>552,694</u>	<u>573,100</u>

1 Deposits relate to Margin Lending business (Bell Potter Capital) which are largely at call.

2 Represents funds held on behalf of Bell Potter Capital in the Bell Financial Trust which are held at call.

3 Represents drawn funds from the Bell Potter Capital cash advance facility of \$150m (2021: \$150m).

**Terms and debt repayment schedule**

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

<b>Consolidated</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>		<b>2021</b>	
	<b>Average effective interest rate</b>		<b>Face value</b>	<b>Carrying amount</b>	<b>Face value</b>	<b>Carrying amount</b>
			<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash advance facility	0.73%	0.51%	41,000	41,000	92,000	92,000
Deposits	0.17%	0.11%	1,588	1,588	1,449	1,449
Bell Financial Trust	0.17%	0.11%	510,106	510,106	479,651	479,651
			<u>552,694</u>	<u>552,694</u>	<u>573,100</u>	<u>573,100</u>

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the half-year ended 30 June 2022

**16. Financial Instruments**

**Fair value measurements**

**a. Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 JUNE 2022	Note	Carrying Amount				Fair Value					
		Designated at fair value	Fair value hedging instruments	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3 <sup>1</sup>	Total	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Financial assets measured at fair value</b>											
		Equity securities / unlisted options	14,389	-	-	-	14,389	1,509	12,880	-	14,389
		Interest rate swaps used for hedging	-	431	-	-	431	-	431	-	431
	12.	Loans and advances	-	-	83,175	-	83,175	-	-	83,175	83,175
			14,389	431	83,175	-	97,995	1,509	13,311	83,175	97,995
<b>Financial assets not measured at fair value</b>											
	11.	Trade and other receivables	-	-	507,312	-	507,312	-	-	-	-
	10.	Cash and cash equivalents	-	-	384,574	-	384,574	-	-	-	-
	12.	Loans and advances	-	-	439,000	-	439,000	-	-	-	-
			-	-	1,330,886	-	1,330,886	-	-	-	-
<b>Financial liabilities measured at fair value</b>											
		Interest rate swaps used for hedging	-	-	-	-	-	-	-	-	-
		Foreign currency swap	33	-	-	-	33	-	33	-	33
			33	-	-	-	33	-	33	-	33
<b>Financial liabilities not measured at fair value</b>											
	14.	Trade and other payables	-	-	-	757,997	757,997	-	-	-	-
	15.	Deposits and borrowings	-	-	-	552,694	552,694	-	-	-	-
			-	-	-	1,310,691	1,310,691	-	-	-	-

1. Loans and advances measured at fair value decreased from \$89,887,000 at 31 December 2021 to \$83,175,000 at 30 June 2022 due to net new/repaid loans of \$5,062,000 with the remaining movement due to net fair value changes.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2022

**16. Financial Instruments (continued)**

31 DECEMBER 2021	Note	Carrying Amount				Total	Fair Value			Total
		Designated at fair value	Fair value hedging instruments	Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3 <sup>1</sup>	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Financial assets measured at fair value</b>										
		13,346	-	-	-	13,346	1,805	11,541	-	13,346
		-	13	-	-	13	-	13	-	13
		157	-	-	-	157	-	157	-	157
	12.	-	-	89,887	-	89,887	-	-	89,887	89,887
		<u>13,503</u>	<u>13</u>	<u>89,887</u>	<u>-</u>	<u>103,403</u>	<u>1,805</u>	<u>11,711</u>	<u>89,887</u>	<u>103,403</u>
<b>Financial assets not measured at fair value</b>										
	11.	-	-	281,627*	-	281,627*	-	-	-	-
	10.	-	-	352,742	-	352,742	-	-	-	-
	12.	-	-	444,119	-	444,119	-	-	-	-
		<u>-</u>	<u>-</u>	<u>1,078,488*</u>	<u>-</u>	<u>1,078,488*</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities measured at fair value</b>										
		-	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities not measured at fair value</b>										
	14.	-	-	-	451,001*	451,001*	-	-	-	-
	15.	-	-	-	573,100	573,100	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>1,024,101*</u>	<u>1,024,101*</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

1. Loans and advances measured at fair value increased from \$60,148,000 at 31 December 2020 to \$89,887,000 at 31 December 2021 due to net new/repaid loans of \$28,275,000 with the remaining movement due to net fair value changes.

\* 31 December 2021 comparative amounts have been restated. Refer to note 3a for further information.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the half-year ended 30 June 2022

**16. Financial Instruments (continued)**

**b. Accounting classifications and fair values**

The following shows the valuation techniques used in measuring level 1, 2 and 3 values, as well as the significant unobservable inputs used.

Level 1 - Equity securities - the valuation is based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Unlisted options - the valuation technique uses observable inputs. The observable inputs include strike price, expiry date and market price. The valuation is based on Black Scholes model.

Level 2 - Interest rate swaps - the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Level 2 - Currency swaps - the fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high quality yield curves in the respective currencies.

Level 3 - Loans and advances – the fair value is based on the option value used to mitigate the risk on the limited recourse margin loans and the interest rate implicit in the loan.

**17. Dividends**

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

<b>Dividend</b>	<b>Per share</b>	<b>Total \$'000</b>	<b>Fully Franked</b>	<b>Date of payment</b>
<b>2022</b>				
Final 2021 ordinary	6.5 cents	20,848	Yes	16 March 2022
<b>2021</b>				
Final 2020 ordinary	6.5 cents	20,848	Yes	17 March 2021
Interim 2021 ordinary	4.5 cents	14,433	Yes	26 August 2021

Dividends declared by the Group to shareholders after the reporting date were as follows. These dividends have not been recognised as liabilities as at 30 June 2022:

<b>Dividend</b>	<b>Per share</b>	<b>Total \$'000</b>	<b>Fully Franked</b>	<b>Date of payment</b>
<b>2022</b>				
Interim 2022 ordinary	2.5 cents	8,018	Yes	6 September 2022

**18. Contributed equity**

The authorised capital of the Group is \$204,236,590 (2021: \$204,236,590) representing 320,743,948 (2021: 320,743,948) fully paid ordinary shares. There were no shares issued during the period.

**19. 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, results of those operations, or the state of affairs of the Group in future financial years.

**20. Related parties**

There have been no significant changes to the arrangements with related parties. Refer to the full 2021 Annual Report for details.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2022**

**21. Commitments and contingencies**

The Company has agreed to indemnify its wholly owned subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd, in the event that any contingent liabilities of those subsidiaries results in a loss.

Contingent liabilities of the Company exist in relation to claims and/or possible claims including regulatory matters which, at the date of signing these accounts, have not been resolved. An assessment of the likely loss to the Company has been made in respect of the identified claims, on a claim by claim basis, and specific provision has been made where appropriate. The Company does not consider that the outcome of any other current proceedings, either individually or in aggregate, is likely to materially affect its operations or financial position.

As announced by Bell Financial Group on 16 February 2022, three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd have received notices from AUSTRAC requiring the appointment of an external auditor to carry out an audit of those entities' compliance with particular aspects of their obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).

AUSTRAC has appointed PwC as the external auditor. The audit is currently underway and the auditor's reports are due by 24 October 2022.

At this stage it is uncertain whether AUSTRAC will take any further action arising from the audit, or the nature of the action it may take if it decides to do so. Accordingly, the potential outcome and total costs and exposure in connection with the audit remain uncertain. Consequently, no amounts have been included as a provision as at the date of this interim financial report.



## Bell Financial Group Limited Directors' Declaration

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

1. the condensed consolidated interim financial statements and notes set out on pages 6 to 22, 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 2022 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.

Signed in accordance with a resolution of the Directors.



**Alastair Provan**  
Executive Chairman  
12 August 2022



# Independent Auditor's Review Report

To the shareholders of Bell Financial Group Limited

## Report on the Condensed Consolidated Interim Financial Report

### Conclusion

We have reviewed the accompanying **Condensed Consolidated Interim Financial Report** of Bell Financial Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Condensed Consolidated Interim Financial Report of Bell Financial Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 June 2022 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 **Condensed Consolidated Interim Financial Report** comprises:

- Condensed Consolidated Statement of Financial position as at 30 June 2022
- Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement 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 21 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Bell Financial Group Limited and the entities it controlled at the Half year's end or from time to time during the Half-year.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



## Responsibilities of the Directors for the Condensed Consolidated Interim Financial Report

The Directors of the Company are responsible for:

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

## Auditor's Responsibilities for the Review of the Condensed Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the Condensed Consolidated Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Condensed Consolidated Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 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*.

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

KPMG

Chris Wooden

*Partner*

Melbourne

12 August 2022