

11 August 2021

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 2021**

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 2021.

This information should be read in conjunction with the Annual Report for the year ended 31 December 2020.

---

For more information, please contact:  
Cindy-Jane Lee  
General Counsel & Company Secretary  
[cjlee@bellfg.com.au](mailto:cjlee@bellfg.com.au)  
+61 3 9235 1961

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

Current period:	1 January 2021 to 30 June 2021
Previous corresponding period:	1 January 2020 to 30 June 2020

	Half-year ended 30 June 2021 \$ '000	Half-year ended 30 June 2020 \$ '000	
Revenue from ordinary activities	130,516	129,550	Up 0.7%
Profit from ordinary activities after tax attributable to shareholders	16,823	16,342	Up 2.9%
Net profit for the period attributable to shareholders	16,823	16,342	Up 2.9%

Dividend (fully franked)	Amount per share	Tax rate for franking credit
2021 Interim dividend (to be paid 26 August 2021)	4.5 cents	30%
2020 Final dividend (paid 17 March 2021)	6.5 cents	30%

#### Interim dividend dates

Ex-dividend date	18 August 2021
Record date	19 August 2021
Payment date	26 August 2021

Net tangible assets per ordinary share	\$0.26	\$0.22
--	--------	--------

### 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 2020 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 2021 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 2021

# Contents

	<b>Page</b>
• Directors' Report	3
• Lead Auditor's Independence Declaration	5
• Condensed Consolidated Statement of Profit or Loss	6
• Condensed Consolidated Statement of Comprehensive Income	7
• Condensed Consolidated Statement of Financial Position	8
• Condensed Consolidated Statement of Changes in Equity	9
• Condensed Consolidated Statement of Cash Flows	10
• Notes to the Condensed Consolidated Interim Financial Statements	11
• Directors' Declaration	23
• Independent Auditor's Report	24

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 2020 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 2021**

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 2021.

**Directors**

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

**Executive Directors**

Alastair Provan

**Non-executive Directors**

Graham Cubbin

Brian Wilson AO

Christine Feldmanis

Craig Coleman (retired 17 February 2021)

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 14 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 2021 was a \$16.8 million profit (2020: \$16.3 million profit).

The Company has declared a fully franked interim dividend 4.5 cents per share (2020: 4.0 cents). The dividend record date is 19 August 2021 and payment is expected to be made on 26 August 2021.

At the date of issue of this interim financial report, the impact of COVID-19 on Bell Financial Group has not been material. The future impact on global and domestic economies and investment market indices is uncertain and Bell Financial Group continues to monitor this situation.

**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 2021**

**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 2021.

**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 11 August 2021 in accordance with a resolution of the Directors.



**Alastair Provan**  
Executive Chairman  
11 August 2021



# 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 2021 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

Chris Wooden

Partner

Melbourne

11 August 2021

**Bell Financial Group Limited**  
**Condensed Consolidated Statement of Profit or Loss**  
**For the half-year ended 30 June 2021**

		<b>Consolidated half-year ended 30 June</b>	
	<b>Note</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Rendering of services	7, 8.	118,604	118,240
Finance income		10,958	14,378
Investment (losses) / gains	9.	325	(3,385)
Other income		629	317
<b>Total revenue</b>		<b>130,516</b>	<b>129,550</b>
Employee expenses		(78,598)	(75,970)
Depreciation and amortisation expenses		(5,655)	(5,434)
Occupancy expenses		(1,551)	(1,531)
Other Systems and communication expenses		(5,287)	(5,030)
Market information expenses		(3,509)	(3,542)
ASX & Other Clearing expenses		(3,358)	(3,080)
Professional expenses		(1,522)	(1,579)
Finance expenses		(1,526)	(3,987)
Other expenses		(5,410)	(5,897)
<b>Total expenses</b>		<b>(106,416)</b>	<b>(106,050)</b>
<b>Profit before income tax</b>		<b>24,100</b>	<b>23,500</b>
Income tax expense		(7,277)	(7,158)
<b>Profit for the half-year</b>		<b>16,823</b>	<b>16,342</b>
<b>Attributable to:</b>			
Equity holders of the Company		16,823	16,342
<b>Profit for the half-year</b>		<b>16,823</b>	<b>16,342</b>
<b>Earnings per share:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share (AUD)		5.2	5.1
Diluted earnings per share (AUD)		5.2	5.1

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 2021**

	<b>Consolidated half-year ended 30 June</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Profit for the half-year</b>	16,823	16,342
<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	152	49
Foreign operations – foreign currency translation differences, net of tax	102	108
<b>Other comprehensive income for the half-year, net of tax</b>	254	157
<b>Total comprehensive income for the half-year</b>	17,077	16,499
<b>Attributable to:</b>		
Equity holders of the Company	17,077	16,499
<b>Total comprehensive income for the half-year</b>	17,077	16,499

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 2021**

<b>Consolidated</b>			
	<b>Note</b>	<b>30 June 2021 \$'000</b>	<b>31 Dec 2020 \$'000</b>
<b>Assets</b>			
Cash and cash equivalents	10.	247,682	284,043
Trade and other receivables	11.	254,403	129,998
Prepayments		881	1,028
Financial assets at fair value	16.	15,338	15,645
Derivative assets	16.	-	105
Loans and advances	12.	514,950	469,076
Right of use assets		12,774	16,122
Deferred tax assets		4,618	4,140
Property, plant and equipment		1,984	1,957
Goodwill	13.	130,413	130,413
Intangible assets	13.	13,309	13,761
<b>Total assets</b>		<b>1,196,352</b>	<b>1,066,288</b>
<b>Liabilities</b>			
Trade and other payables	14.	383,177	267,785
Deposits and borrowings	15.	525,047	477,476
Current tax liabilities		2,548	4,056
Lease liabilities		17,871	22,357
Derivative liabilities	16.	104	238
Employee benefits		39,935	62,935
Provisions		500	500
<b>Total liabilities</b>		<b>969,182</b>	<b>835,347</b>
<b>Net assets</b>		<b>227,170</b>	<b>230,941</b>
<b>Equity</b>			
Contributed equity	18.	204,237	204,237
Other equity		(28,858)	(28,858)
Reserves		431	177
Retained earnings		51,360	55,385
<b>Total equity attributable to equity holders of the Company</b>		<b>227,170</b>	<b>230,941</b>

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 Changes in Equity**  
**For the half-year ended 30 June 2021**

Consolidated	Share Capital	Other Equity	Treasury Shares Reserve	Share Based Payments Reserve	Cash Flow Hedge Reserve	Foreign Currency Reserve	Retained Earnings	Total Equity
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Balance at 31 December 2019 / 1 January 2020</b>	204,237	(28,858)	291	9	(380)	771	35,234	211,304
<b>Total comprehensive income</b>								
Profit / (loss) for the half-year	-	-	-	-	-	-	16,342	16,342
<b>Other comprehensive income</b>								
Change in fair value of cash flow hedges	-	-	-	-	49	-	-	49
Translation of foreign currency reserve	-	-	-	-	-	108	-	108
Total other comprehensive income	-	-	-	-	49	108	-	157
Total comprehensive income for the half-year	-	-	-	-	49	108	16,342	16,499
<b>Transactions with owners, directly in equity</b>								
Transfer of retained earnings	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-
Employee share awards exercised	-	-	26	-	-	-	-	26
Dividends	-	-	-	-	-	-	(14,433)	(14,433)
<b>Balance at 30 June 2020</b>	204,237	(28,858)	317	9	(331)	879	37,143	213,396
<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, 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

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 2021**

	<b>Consolidated half-year ended 30 June</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Cash flows from / (used in) operating activities</b>		
Cash receipts from customers and clients	125,798	127,130
Cash paid to suppliers and employees	(134,069)	(97,129)
Net cash from client related receivables and payables	(4,052)	34,346
Cash generated from / (used in) operations <sup>1</sup>	(12,323)	64,347
Dividends received	1	12
Interest received	11,003	14,433
Interest paid	(1,526)	(3,987)
Income taxes paid	(9,263)	(8,924)
<b>Net cash (used in) / from operating activities</b>	<b>(12,108)</b>	<b>65,881</b>
<b>Cash flows from / (used in) investing activities</b>		
Net proceeds from sale of investments	7,260	945
Acquisition of property, plant and equipment	(442)	(737)
Acquisition of other investments	(7,391)	(3,197)
<b>Net cash (used in) investing activities</b>	<b>(573)</b>	<b>(2,989)</b>
<b>Cash flows from / (used in) financing activities</b>		
Dividends paid	(20,848)	(14,433)
Payment of lease liabilities	(5,278)	(4,976)
<i>Bell Potter Capital (Margin Lending)</i>		
Deposits / (withdrawals) from client cash balances	29,571	89,477
(Drawdown) / repayment of margin loans	(45,125)	98,463
Drawdown / (repayment) of borrowings	18,000	(177,000)
<b>Net cash (used in) financing activities</b>	<b>(23,680)</b>	<b>(8,469)</b>
Net increase / (decrease) in cash and cash equivalents	(36,361)	54,423
Cash and cash equivalents at 1 January	284,043	195,137
<b>Cash and cash equivalents at 30 June</b>	<b>247,682</b>	<b>249,560</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 2021

#### 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 2020 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 2020 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 11 August 2021.

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 2020, except for the below.

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, configuration or customisation costs in a cloud computing arrangement. The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if not, over what time period the expenditure is expensed. As at reporting date, the Group's preliminary analysis indicates that the impact is not material to this condensed consolidated interim financial report.

#### 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 2020. 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

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2021**

**4. Estimates (continued)**

- 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 2021, 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 2021.

**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 2020.

At the date of issue of this interim financial report, the impact of COVID-19 on Bell Financial Group has not been material. The future impact on global and domestic economies and investment market indices is uncertain and Bell Financial Group continues to monitor this situation.

**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.

*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.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2021**

**6. Determination of fair value (continued)**

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 have been reallocated in the current year and are reported below consistent with internal reporting provided to the chief decision makers:

- Technology & Platforms - Proprietary technology and platforms including online broking and Third Party Clearing.
- Products & Services : Margin lending, Cash, Portfolio Administration and Superannuation Solutions products and services
- Retail Broking division – traditional retail client broking (Retail client focus),
- Institutional Broking division – 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 2021</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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 income	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)
	<b>Technology &amp; Platforms</b>	<b>Products &amp; Services</b>	<b>Retail</b>	<b>Institutional</b>	<b>Consolidated</b>
<b>30 June 2020<sup>1</sup></b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue from operations	11,379	10,780	65,008	31,073	118,240
Profit after tax	2,318	4,804	3,572	5,648	16,342
Segment assets	165,273	541,388	365,343	64,273	1,136,277
<b>Total assets</b>	<b>165,273</b>	<b>541,388</b>	<b>365,343</b>	<b>64,273</b>	<b>1,136,277</b>
Segment liabilities	101,090	493,707	312,964	15,120	922,881
<b>Total liabilities</b>	<b>101,090</b>	<b>493,707</b>	<b>312,964</b>	<b>15,120</b>	<b>922,881</b>
<b>Other segment details</b>					
Finance revenue	83	13,586	709	-	14,378
Finance expense	(13)	(3,295)	(590)	(89)	(3,987)
Depreciation / amortisation	(941)	(78)	(3,673)	(742)	(5,434)

1. 2020 comparative amounts have been restated.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2021

**7. Segment Reporting (continued)**

**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.

	<b>Technology &amp; Platforms</b>		<b>Products &amp; Services</b>		<b>Retail</b>		<b>Institutional</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</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>\$'000</b>	<b>\$'000</b>
Brokerage	11,715	10,855	100	68	50,474	54,400	5,043	5,858	67,332	71,181
Fee income	83	10	-	-	14,547	10,193	24,334	25,037	38,964	35,240
Portfolio administration revenue	-	-	11,099	9,668	-	-	-	-	11,099	9,668
Other	555	514	376	1,044	60	415	218	178	1,209	2,151
	<b>12,353</b>	<b>11,379</b>	<b>11,575</b>	<b>10,780</b>	<b>65,081</b>	<b>65,008</b>	<b>29,595</b>	<b>31,073</b>	<b>118,604</b>	<b>118,240</b>

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

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Dividends received	1	12
Profit / (loss) on financial assets held at fair value through profit or loss - Shares in listed corporations and Unlisted options held in listed corporations	1,871	(688)
Profit / (loss) on financial assets held at fair value through profit or loss - Geared equity investments <sup>1</sup>	(1,547)	(2,709)
	<b>325</b>	<b>(3,385)</b>

<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.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2021

**10. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group cash reserves<sup>1</sup></b>		
Cash on hand	13	12
Cash at bank	95,489	139,639
	<b>95,502</b>	<b>139,651</b>
<b>Margin lending cash</b>		
Cash at bank	11,032	7,208
	<b>11,032</b>	<b>7,208</b>
<b>Client cash</b>		
Cash at bank (Trust account)	68,880	44,807
Cash at bank (Segregated account)	72,268	92,377
	<b>141,148</b>	<b>137,184</b>
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<b>247,682</b>	<b>284,043</b>

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).

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

	<b>2021</b>
	<b>\$'000</b>
Group cash - 1 January	<b>139,651</b>
<b>Cash profit</b>	
Cash Revenue	130,152
Less Cash Expenses	
Employee expenses	(102,246)
Occupancy expenses	(7,295)
Systems and communications	(5,287)
Market information expenses	(3,509)
ASX & Other clearing expenses	(3,358)
Professional expenses	(1,522)
Finance expenses	(1,060)
Other expenses	(5,410)
Total expenses	<b>(129,687)</b>
Net Cash operating profit	<b>465</b>
<b>Balance Sheet</b>	
Tax instalments paid	(9,263)
Dividends paid	(20,848)
Clearing house deposits paid	(5,904)
Financial asset purchases (net)	(131)
Acquisition of property, plant and equipment	(442)
General working capital movement	(8,026)
Group cash balance - 30 June 2021	<b>95,502</b>

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2021**

**11. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Trade debtors	184,960	82,027
Less: provision for impairment	-	-
	<b>184,960</b>	<b>82,027</b>
Clearing house deposits	15,113	9,159
Segregated deposits with clearing brokers	49,202	34,267
Less: provision for impairment	-	-
	<b>64,315</b>	<b>43,426</b>
Sundry debtors	5,128	4,545
	<b>254,403</b>	<b>129,998</b>

No impairment allowance in respect of trades and other receivables noted at 30 June 2021 (2020: Nil). There are no amounts in arrears or past due.

**12. Loans and advances**

	<b>Consolidated</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Margin Loans measured at amortised cost	407,713	408,928
Margin Loans measured at fair value through profit and loss	107,237	60,148
	<b>514,950</b>	<b>469,076</b>

Loans and advances are repayable on demand. There were no impaired, past due or renegotiated loans at 30 June 2021 (2020: nil).

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
For the half-year ended 30 June 2021

**13. Goodwill and intangible assets**

	<b>Goodwill</b>	<b>Consolidated Identifiable intangibles</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>			
Balance at 1 January 2020	130,413	20,630	151,043
Acquisitions - internally developed	-	3,335	3,335
Balance at 31 December 2020	130,413	23,965	154,378
Balance at 1 January 2021	130,413	23,965	154,378
Acquisitions - internally developed	-	648	648
Balance at 30 June 2021	130,413	24,613	155,026
<b>Accumulated amortisation and impairment losses</b>			
Balance at 1 January 2020	-	(8,133)	(8,133)
Amortisation	-	(2,071)	(2,071)
Balance at 31 December 2020	-	(10,204)	(10,204)
Balance at 1 January 2021	-	(10,204)	(10,204)
Amortisation	-	(1,100)	(1,100)
Balance at 30 June 2021	-	(11,304)	11,304
<b>Carrying amount</b>			
At 1 January 2020	130,413	12,497	142,910
At 31 December 2020	130,413	13,761	144,174
At 30 June 2021	130,413	13,309	143,722

**14. Trade and other payables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Settlement obligations	228,171	112,710
Sundry creditors and accruals	20,126	18,553
Segregated client liabilities	134,880	136,522
	<b>383,177</b>	<b>267,785</b>

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

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements (continued)**  
**For the half-year ended 30 June 2021**

**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>2021 \$'000</b>	<b>2020 \$'000</b>
Deposits <sup>1</sup>	1,155	615
Bell Financial Trust <sup>2</sup>	465,892	436,861
Cash advance facility <sup>3</sup>	58,000	40,000
	<b>525,047</b>	<b>477,476</b>

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 \$100m (2020: \$100m).

**Terms and debt repayment schedule**

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

<b>Consolidated</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>		<b>2020</b>	
	<b>Average effective interest rate</b>		<b>Face value \$'000</b>	<b>Carrying amount \$'000</b>	<b>Face value \$'000</b>	<b>Carrying amount \$'000</b>
Cash advance facility	0.51%	1.35%	58,000	58,000	40,000	40,000
Deposits	0.11%	0.18%	1,155	1,155	615	615
Bell Financial Trust	0.11%	0.18%	465,892	465,892	436,861	436,861
			<b>525,047</b>	<b>525,047</b>	<b>477,476</b>	<b>477,476</b>

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
For the half-year ended 30 June 2021

**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.

30 JUNE 2021	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	12.	15,338	-	-	-	15,338	2,116	13,222	-	15,338
Loans and advances		-	-	107,237	-	107,237	-	-	107,237	107,237
		15,338	-	107,237	-	122,575	2,116	13,222	107,237	122,575
<b>Financial assets not measured at fair value</b>										
Trade and other receivables	11.	-	-	254,403	-	254,403	-	-	-	-
Cash and cash equivalents	10.	-	-	247,682	-	247,682	-	-	-	-
Loans and advances	12.	-	-	407,713	-	407,713	-	-	-	-
		-	-	909,798	-	909,798	-	-	-	-
<b>Financial liabilities measured at fair value</b>										
Interest rate swaps used for hedging		-	86	-	-	86	-	86	-	86
Foreign currency swap		18	-	-	-	18	-	18	-	18
		18	86	-	-	104	-	104	-	104
<b>Financial liabilities not measured at fair value</b>										
Trade and other payables	14.	-	-	-	379,665	379,665	-	-	-	-
Deposits and borrowings	15.	-	-	-	525,047	525,047	-	-	-	-
		-	-	-	904,712	904,712	-	-	-	-

1. Loans and advances measured at fair value increased from \$60,148,000 at 31 December 2020 to \$107,237,000 at 30 June 2021 due to net new/repaid loans of \$46,339,000 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 2021

**16. Financial Instruments (continued)**

31 DECEMBER 2020	Note	Designated at fair value  \$'000	Fair value hedging instruments  \$'000	Carrying Amount	Other financial liabilities  \$'000	Total  \$'000	Fair Value			Total  \$'000
				Loans and receivables  \$'000			Level 1  \$'000	Level 2  \$'000	Level 3 <sup>1</sup>  \$'000	
<b>Financial assets measured at fair value</b>										
Equity securities / unlisted options		15,645	-	-	-	15,645	3,931	11,714	-	15,645
Foreign currency swap		105	-	-	-	105	-	105	-	105
Loans and advances	12.	-	-	60,148	-	60,148	-	-	60,148	60,148
		<u>15,750</u>	<u>-</u>	<u>60,148</u>	<u>-</u>	<u>75,898</u>	<u>3,931</u>	<u>11,819</u>	<u>60,148</u>	<u>75,898</u>
<b>Financial assets not measured at fair value</b>										
Trade and other receivables	11.	-	-	129,998	-	129,998	-	-	-	-
Cash and cash equivalents	10.	-	-	284,043	-	284,043	-	-	-	-
Loans and advances	12.	-	-	408,928	-	408,928	-	-	-	-
		<u>-</u>	<u>-</u>	<u>822,969</u>	<u>-</u>	<u>822,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities measured at fair value</b>										
Interest rate swaps used for hedging		-	238	-	-	238	-	238	-	238
		<u>-</u>	<u>238</u>	<u>-</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>238</u>	<u>-</u>	<u>238</u>
<b>Financial liabilities not measured at fair value</b>										
Trade and other payables	14.	-	-	-	263,847	263,847	-	-	-	-
Deposits and borrowings	15.	-	-	-	477,476	477,476	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>741,323</u>	<u>741,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

1. Loans and advances measured at fair value decreased from \$145,969,000 at 31 December 2019 to \$60,148,000 at 31 December 2020 due to net new/repaid loans of \$86,019,000 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 2021**

**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.

**Bell Financial Group Limited**  
**Notes to the Condensed Consolidated Interim Financial Statements**  
**For the half-year ended 30 June 2021**

## 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>2021</b>				
Final 2020 ordinary	6.5 cents	20,848	Yes	17 March 2021
<b>2020</b>				
Final 2019 ordinary	4.5 cents	14,433	Yes	18 March 2020
Interim 2020 ordinary	4.0 cents	12,830	Yes	27 August 2020

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 2021:

<b>Dividend</b>	<b>Per share</b>	<b>Total \$'000</b>	<b>Fully Franked</b>	<b>Date of payment</b>
<b>2021</b>				
Interim 2021 ordinary	4.5 cents	14,433	Yes	26 August 2021

## 18. Contributed equity

The authorised capital of the Group is \$204,236,590 (2020: \$204,236,590) representing 320,743,948 (2020: 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 2020 Annual Report for details.

## 21. 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 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 2021 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  
11 August 2021

# 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 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 2021 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 2021;
- Condensed Consolidated Statement of Profit or Loss, Condensed Consolidated Statement of 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 2021 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

11 August 2021