

17 August 2023

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 2023

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 2023.

This information should be read in conjunction with the Annual Report for the year ended 31 December 2022.

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

Current period: 1 January 2023 to 30 June 2023
Previous corresponding period: 1 January 2022 to 30 June 2022

	Half-year ended 30 June 2023 \$ '000	Half-year ended 30 June 2022 \$ '000	
Revenue from ordinary activities	117,282	108,609	Up 8.0%
Profit from ordinary activities after tax attributable to shareholders	11,072	9,235	Up 19.9%
Net profit for the period attributable to shareholders	11,072	9,235	Up 19.9%

Dividend (fully franked)	Amount per share	Tax rate for franking credit
2023 Interim dividend (to be paid 12 September 2023)	3.0 cents	30%
2022 Final dividend (paid 15 March 2023)	4.5 cents	30%

Interim dividend dates

Ex-dividend date	30 August 2023
Record date	31 August 2023
Payment date	12 September 2023

Net tangible assets per ordinary share	\$0.27	\$0.25
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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 2022 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 2023 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.

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Bell Financial Group Limited
ABN 59 083 194 763

Consolidated Interim Financial Report
30 June 2023

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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 2022 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 2023

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 2023.

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.

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 750 employees, Bell Financial operates across 11 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 2023 was a \$11.1 million profit (2022: \$9.2 million profit).

The Company has declared a fully franked interim dividend of 3.0 cents per share (2022: 2.5 cents). The dividend record date is 31 August 2023 and payment is expected to be made on 12 September 2023.

On 16 February 2022, Bell Financial Group announced that three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd, 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).

Bell Financial Group announced on 25 October 2022 that we had received a report from the external auditor for each entity and that those reports had been provided to AUSTRAC in accordance with the notice requirements. Each of the reports related to a defined period ending on 16 February 2022. Since then, Bell Financial Group has made a number of refinements to our approach to AML/CTF compliance, including updates to the subsidiaries' risk assessments and their AML/CTF program.

On 29 June 2023, Bell Financial Group Ltd received final notification from AUSTRAC following its consideration of the reports from the external auditor on the three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd.

AUSTRAC has decided that it will not be taking any further regulatory action.

Bell Financial Group Limited
Directors' Report
For the half-year ended 30 June 2023

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.

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 2023.

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 17 August 2023 in accordance with a resolution of the Directors.



Alastair Provan
Executive Chairman
17 August 2023



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 2023 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

KPMG

Luke Sullivan
Partner

Melbourne
17 August 2023

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Bell Financial Group Limited
Consolidated Statement of Profit or Loss
For the half-year ended 30 June 2023

		Consolidated half-year ended 30 June	
	Note	2023 \$'000	2022 \$'000
Rendering of services	7, 8.	94,211	98,425
Finance income		23,126	12,477
Investment (losses) / gains	9.	(1,326)	(3,072)
Other income		1,271	779
Total revenue and income		117,282	108,609
Employee expenses		(66,923)	(66,345)
Depreciation and amortisation expenses		(5,516)	(5,238)
Occupancy expenses		(1,552)	(1,242)
Other Systems and communication expenses		(5,514)	(5,639)
Market information expenses		(3,883)	(3,590)
ASX & Other Clearing expenses		(2,617)	(3,094)
Professional expenses		(1,744)	(2,498)
Finance expenses		(7,271)	(2,222)
Other expenses		(6,061)	(5,392)
Total expenses		(101,081)	(95,260)
Profit before income tax		16,201	13,349
Income tax expense		(5,129)	(4,114)
Profit for the half-year		11,072	9,235
Attributable to:			
Equity holders of the Company		11,072	9,235
Profit for the half-year		11,072	9,235
Earnings per share:		Cents	Cents
Basic earnings per share (AUD)		3.5	2.9
Diluted earnings per share (AUD)		3.5	2.9

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

Bell Financial Group Limited
Consolidated Statement of Comprehensive Income
For the half-year ended 30 June 2023

	Consolidated half-year ended 30 June	
	2023 \$'000	2022 \$'000
Profit for the half-year	11,072	9,235
Other comprehensive income		
Items that may be classified to profit or loss		
Change in fair value of cash flow hedge, net of tax	(34)	418
Foreign operations – foreign currency translation differences, net of tax	219	277
Other comprehensive income for the half-year, net of tax	185	695
Total comprehensive income for the half-year	11,257	9,930
Attributable to:		
Equity holders of the Company	11,257	9,930
Total comprehensive income for the half-year	11,257	9,930

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

Bell Financial Group Limited
Consolidated Statement of Financial Position
As at 30 June 2023

		Consolidated	
	Note	30 June 2023 \$'000	31 Dec 2022 \$'000
Assets			
Cash and cash equivalents	10.	283,752	289,207
Trade and other receivables	11.	367,465	253,846
Prepayments		862	1,464
Financial assets at fair value	16.	15,940	15,573
Derivative assets	16.	364	435
Loans and advances	12.	527,041	495,756
Right of use assets		42,392	45,474
Deferred tax assets		5,010	4,908
Property, plant and equipment		1,733	1,460
Intangible assets	13.	15,621	15,466
Goodwill	13.	130,413	130,413
Total assets		1,390,593	1,254,002
Liabilities			
Trade and other payables	14.	538,754	421,998
Deposits and borrowings	15.	535,698	505,434
Current tax liabilities		2,065	1,397
Lease liabilities		49,858	52,035
Derivative liabilities	16.	2	-
Employee benefits		31,713	37,234
Provisions		275	500
Total liabilities		1,158,365	1,018,598
Net assets		232,228	235,404
Equity			
Contributed equity	18.	204,237	204,237
Other equity		(28,858)	(28,858)
Reserves		(832)	(1,017)
Retained earnings		57,681	61,042
Total equity attributable to equity holders of the Company		232,228	235,404

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

Bell Financial Group Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2023

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
Balance at 31 December 2021 / 1 January 2022	204,237	(28,858)	(1,267)	-	13	699	64,222	239,046
Total comprehensive income								
Profit / (loss) for the half-year	-	-	-	-	-	-	9,235	9,235
Other comprehensive income								
Change in fair value of cash flow hedges	-	-	-	-	418	-	-	418
Translation of foreign currency reserve	-	-	-	-	-	277	-	277
Total other comprehensive income	-	-	-	-	418	277	-	695
Total comprehensive income for the half-year	-	-	-	-	418	277	9,235	9,930
Transactions with owners recorded directly in equity								
Transfer of retained earnings	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	(878)	-	-	-	-	(878)
Share based payments	-	-	-	-	-	-	-	-
Employee share awards exercised	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(20,848)	(20,848)
Balance at 30 June 2022	204,237	(28,858)	(2,145)	-	431	976	52,609	227,250
Balance at 31 December 2022 / 1 January 2023	204,237	(28,858)	(2,620)	-	398	1,205	61,042	235,404
Total comprehensive income								
Profit / (loss) for the half-year	-	-	-	-	-	-	11,072	11,072
Other comprehensive income								
Change in fair value of cash flow hedges	-	-	-	-	(34)	-	-	(34)
Translation of foreign currency reserve	-	-	-	-	-	219	-	219
Total other comprehensive income	-	-	-	-	(34)	219	-	185
Total comprehensive income for the half-year	-	-	-	-	(34)	219	11,072	11,257
Transactions with owners recorded directly in equity								
Transfer of retained earnings	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
Share based payments	-	-	-	-	-	-	-	-
Employee share awards exercised	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(14,433)	(14,433)
Balance at 30 June 2023	204,237	(28,858)	(2,620)	-	364	1,424	57,681	232,228

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

Bell Financial Group Limited
Consolidated Statement of Cash Flows
For the half-year ended 30 June 2023

	Consolidated half-year ended 30 June	
	2023 \$'000	2022 \$'000
Cash flows from / (used in) operating activities		
Cash receipts from customers and clients	98,556	104,588
Cash paid to suppliers and employees	(88,436)	(130,262)
Net cash from client related receivables and payables	(6,154)	90,025
Cash generated from / (used in) operations ¹	3,966	64,351
Dividends received	91	125
Interest received	23,083	12,321
Interest paid	(7,271)	(2,222)
Income taxes paid	(4,563)	(5,945)
Net cash from / (used in) operating activities	15,306	68,630
Cash flows from / (used in) investing activities		
Net proceeds from sale of investments	-	4,830
Acquisition of property, plant and equipment	(696)	(154)
Acquisition of other investments	(2,778)	(7,464)
Net cash (used in) investing activities	(3,474)	(2,788)
Cash flows from / (used in) financing activities		
Dividends paid	(14,433)	(20,848)
On market share purchases	-	(878)
Payment of lease liabilities	(2,604)	(2,059)
<i>Bell Potter Capital (Margin Lending)</i>		
Deposits / (withdrawals) from client cash balances	(55,338)	30,594
Drawdown / (Issuance) of margin loans	(30,514)	10,181
(Repayment) / Drawdown of borrowings	85,602	(51,000)
Net cash (used in) financing activities	(17,287)	(34,010)
Net increase / (decrease) in cash and cash equivalents	(5,455)	31,832
Cash and cash equivalents at 1 January	289,207	352,742
Cash and cash equivalents at 30 June	283,752	384,574

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

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

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements
For the half-year ended 30 June 2023

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 2022 is available upon request from the Company’s registered office at Level 29, 101 Collins Street, Melbourne or at www.bellfg.com.au.

2. Statement of compliance

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

This 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 consolidated interim financial report was approved by the Board of Directors on 17 August 2023.

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 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 2022, except for the below.

4. Estimates

The preparation of the 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 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 2022. 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 Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

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 2023, 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.

The Retail cash-generating unit (CGU) recorded a \$1.59m after tax loss for the half-year ended 30 June 2023. This result reflects a particularly quiet period in Australian cash equity markets and volumes, and we do not consider is indicative of impairment in the Retail CGU.

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 2023, a \$275,000 provision has been accrued against known potential claims.

On 16 February 2022, Bell Financial Group announced that three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd, 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).

Bell Financial Group announced on 25 October 2022 that we had received a report from the external auditor for each entity and that those reports had been provided to AUSTRAC in accordance with the notice requirements. Each of the reports related to a defined period ending on 16 February 2022. Since then, Bell Financial Group has made a number of refinements to our approach to AML/CTF compliance, including updates to the subsidiaries' risk assessments and their AML/CTF program.

On 29 June 2023 Bell Financial Group Ltd received final notification from AUSTRAC following its consideration of the reports from the external auditor on the three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd.

AUSTRAC has decided that it will not be taking any further regulatory action.

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 2022.

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.

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

6. Determination of fair value (continued)

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.

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 and third party clearing.
- 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).

	Technology & Platforms	Products & Services	Retail	Institutional	Consolidated
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from operations	11,027	11,332	50,682	21,170	94,211
Profit after tax	4,611	5,923	(1,591)	2,129	11,072
Segment assets	376,692	608,235	341,938	63,728	1,390,593
Total assets	376,692	608,235	341,938	63,728	1,390,593
Segment liabilities	286,551	557,566	303,435	10,813	1,158,365
Total liabilities	286,551	557,566	303,435	10,813	1,158,365
Other segment details					
Finance revenue	1,575	18,869	2,680	2	23,126
Finance expense	(64)	(6,154)	(922)	(131)	(7,271)
Depreciation / amortisation	(1,298)	(79)	(3,523)	(616)	(5,516)

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

7. Segment Reporting (continued)

	Technology & Platforms \$'000	Products & Services \$'000	Retail \$'000	Institutional \$'000	Consolidated \$'000
30 June 2022					
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
Total assets	283,029	580,543	700,550	57,964	1,622,086
Segment liabilities	199,900	530,441	656,743	7,752	1,394,836
Total liabilities	199,900	530,441	656,743	7,752	1,394,836
Other segment details					
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)

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Brokerage	7,890	10,446	93	101	43,346	50,901	3,448	4,561	54,777	66,009
Fee income	135	208	-	-	7,266	6,884	17,649	12,154	25,050	19,246
Portfolio administration revenue	-	-	10,900	10,892	-	-	-	-	10,900	10,892
Other	3,002	1,643	339	351	70	92	73	192	3,484	2,278
	11,027	12,297	11,332	11,344	50,682	57,877	21,170	16,907	94,211	98,425

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

9. Investment (losses) / gains

	Consolidated	
	2023 \$'000	2022 \$'000
Dividends received	91	125
Profit / (loss) on financial assets held at fair value through profit or loss - Shares in listed corporations and unlisted options held in listed corporations	300	(1,132)
Profit / (loss) on financial assets held at fair value through profit or loss - Geared equity investments ¹	(1,717)	(2,065)
	(1,326)	(3,072)

¹ 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

	Consolidated	
	2023 \$'000	2022 \$'000
Group cash reserves¹		
Cash on hand	12	12
Cash at bank	106,027	110,299
	106,039	110,311
Margin lending cash		
Cash at bank	12,280	6,589
	12,280	6,589
Client cash		
Cash at bank (Trust account)	72,508	36,807
Cash at bank (Segregated account)	92,925	135,500
	165,433	172,307
Cash and cash equivalents in the Statement of Cash Flows	283,752	289,207

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 Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

10. Cash and cash equivalents (continued)

¹ Group Cash – summary of key movements	2023 \$'000
Group cash - 1 January 2023	110,311
Cash profit	
Cash Revenue	119,890
Less Cash Expenses	
Employee expenses	(74,094)
Occupancy expenses	(5,228)
Systems and communications	(5,514)
Market information expenses	(3,883)
ASX & Other clearing expenses	(2,617)
Professional expenses	(1,744)
Finance expenses	(6,168)
Other expenses	(6,061)
Total expenses	<u>(105,339)</u>
Net Cash operating profit	14,551
Balance Sheet	
Tax instalments paid	(4,563)
Dividends paid	(14,433)
Clearing house deposits paid	(2,610)
Financial asset purchases (net)	(2,778)
Acquisition of property, plant and equipment	(696)
General working capital movement	6,257
Group cash balance - 30 June 2023	<u>106,039</u>

11. Trade and other receivables

	Consolidated	
	2023 \$'000	2022 \$'000
Trade debtors	238,633	151,049
Less: provision for impairment	-	-
	<u>238,633</u>	<u>151,049</u>
Clearing house deposits	13,581	10,160
Segregated deposits with clearing brokers	99,333	79,875
Less: provision for impairment	-	-
	<u>112,914</u>	<u>90,035</u>
Sundry debtors	15,918	12,762
	<u>367,465</u>	<u>253,846</u>

No impairment allowance in respect of trades and other receivables noted at 30 June 2023 (2022: Nil). There are no amounts in arrears or past due.

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

12. Loans and advances

	Consolidated	
	2023 \$'000	2022 \$'000
Margin Loans measured at amortised cost	435,794	413,955
Margin Loans measured at fair value through profit and loss	91,247	81,801
	527,041	495,756

There were no impaired, past due or renegotiated loans at 30 June 2023 (2022: nil).

13. Goodwill and intangible assets

	Consolidated		
	Goodwill \$'000	Identifiable intangibles \$'000	Total \$'000
Cost			
Balance at 1 January 2022	130,413	27,416	157,829
Acquisitions - internally developed	-	3,400	3,400
Balance at 31 December 2022	130,413	30,816	161,229
Balance at 1 January 2023	130,413	30,816	161,229
Acquisitions - internally developed	-	1,650	1,650
Balance at 30 June 2023	130,413	32,466	162,879
Accumulated amortisation and impairment losses			
Balance at 1 January 2022	-	(12,620)	(12,620)
Amortisation	-	(2,730)	(2,730)
Balance at 31 December 2022	-	(15,350)	(15,350)
Balance at 1 January 2023	-	(15,350)	(15,350)
Amortisation	-	(1,495)	(1,495)
Balance at 30 June 2023	-	(16,845)	(16,845)
Carrying amount			
At 1 January 2022	130,413	14,796	145,209
At 31 December 2022	130,413	15,466	145,879
At 30 June 2023	130,413	15,621	146,034

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

14. Trade and other payables

	Consolidated	
	2023 \$'000	2022 \$'000
Settlement obligations	294,250	168,894
Sundry creditors and accruals	42,522	26,654
Segregated client liabilities	201,982	226,450
	538,754	421,998

Settlement obligations are non-interest bearing and are normally settled on 2-day terms. Sundry creditors are normally settled on 30-day terms.

15. Deposits and borrowings

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

	Consolidated	
	2023 \$'000	2022 \$'000
Deposits ¹	631	844
Bell Financial Trust ²	405,465	460,590
Cash advance facility ³	129,602	44,000
	535,698	505,434

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 (2022: \$150m).

Terms and debt repayment schedule

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

Consolidated	2023	2022	2023		2022	
	Average effective interest rate		Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Cash advance facility	4.43%	1.83%	129,602	129,602	44,000	44,000
Deposits	1.92%	0.60%	631	631	844	844
Bell Financial Trust	1.92%	0.60%	405,465	405,465	460,590	460,590
			535,698	535,698	505,434	505,434

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements
For the half-year ended 30 June 2023

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 2023	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 ¹	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value										
		15,940	-	-	-	15,940	7,842	8,098	-	15,940
		-	364	-	-	364	-	364	-	364
	12.	-	-	91,247	-	91,247	-	-	91,247	91,247
		15,940	364	91,247	-	107,551	7,842	8,462	91,247	107,551
Financial assets not measured at fair value										
	11.	-	-	367,465	-	367,465	-	-	-	-
	10.	-	-	283,752	-	283,752	-	-	-	-
	12.	-	-	453,794	-	435,794	-	-	-	-
		-	-	1,087,011	-	1,087,011	-	-	-	-
Financial liabilities measured at fair value										
		-	2	-	-	2	-	2	-	2
		-	2	-	-	2	-	2	-	2
Financial liabilities not measured at fair value										
	14.	-	-	-	538,754	538,754	-	-	-	-
	15.	-	-	-	535,698	535,698	-	-	-	-
		-	-	-	1,074,452	1,074,452	-	-	-	-

1. Loans and advances measured at fair value decreased from \$81,801,000 at 31 December 2022 to \$91,247,000 at 30 June 2023 due to net new/repaid loans of \$8,676,000 with the remaining movement due to net fair value changes.

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

16. Financial Instruments (continued)

31 DECEMBER 2022	Note	Designated at fair value	Fair value hedging instruments	Carrying Amount		Total	Fair Value			Total
				Loans and receivables	Other financial liabilities		Level 1	Level 2	Level 3 ¹	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets measured at fair value										
Equity securities / unlisted options		15,573	-	-	-	15,573	5,040	10,533	-	15,573
Interest rate swaps used for hedging		-	398	-	-	398	-	398	-	398
Foreign currency swap		37	-	-	-	37	-	37	-	37
Loans and advances	12.	-	-	81,801	-	81,801	-	-	81,801	81,801
		<u>15,610</u>	<u>398</u>	<u>81,801</u>	<u>-</u>	<u>97,809</u>	<u>5,040</u>	<u>10,968</u>	<u>81,801</u>	<u>97,809</u>
Financial assets not measured at fair value										
Trade and other receivables	11.	-	-	253,846	-	253,846	-	-	-	-
Cash and cash equivalents	10.	-	-	289,207	-	289,207	-	-	-	-
Loans and advances	12.	-	-	413,955	-	413,955	-	-	-	-
		<u>-</u>	<u>-</u>	<u>957,008</u>	<u>-</u>	<u>957,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value										
Foreign currency swap		-	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value										
Trade and other payables	14.	-	-	-	412,452	412,452	-	-	-	-
Deposits and borrowings	15.	-	-	-	505,434	505,434	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>917,886</u>	<u>917,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

1. Loans and advances measured at fair value decreased from \$89,887,000 at 31 December 2021 to \$81,801,000 at 31 December 2022 due to net new/repaid loans of \$7,623,000 with the remaining movement due to net fair value changes.

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements
For the half-year ended 30 June 2023

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:

Dividend	Per share	Total \$'000	Fully Franked	Date of payment
2023				
Final 2022 ordinary	4.5 cents	14,433	Yes	15 March 2023
2022				
Final 2021 ordinary	6.5 cents	20,848	Yes	16 March 2022
Interim 2022 ordinary	2.5 cents	8,019	Yes	6 September 2022

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 2023:

Dividend	Per share	Total \$'000	Fully Franked	Date of payment
2023				
Interim 2023 ordinary	3.0 cents	9,622	Yes	12 September 2023

18. Contributed equity

The authorised capital of the Group is \$204,236,590 (2022: \$204,236,590) representing 320,743,948 (2022: 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 2022 Annual Report for details.

Bell Financial Group Limited
Notes to the Consolidated Interim Financial Statements (continued)
For the half-year ended 30 June 2023

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 the wholly owned subsidiaries results in a loss.

Contingent liabilities of the Group 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 Group 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.

On 16 February 2022, Bell Financial Group announced that three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd, 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).

Bell Financial Group announced on 25 October 2022 that we had received a report from the external auditor for each entity and that those reports had been provided to AUSTRAC in accordance with the notice requirements. Each of the reports related to a defined period ending on 16 February 2022. Since then, Bell Financial Group has made a number of refinements to our approach to AML/CTF compliance, including updates to the subsidiaries' risk assessments and their AML/CTF program.

On 29 June 2023, Bell Financial Group Ltd received final notification from AUSTRAC following its consideration of the reports from the external auditor on the three operating subsidiaries, Bell Potter Securities Limited, Bell Potter Capital Limited and Third Party Platform Pty Ltd.

AUSTRAC has decided that it will not be taking any further regulatory action.

Bell Financial Group Limited Directors' Declaration

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

1. the 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 2023 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
17 August 2023



Independent Auditor's Review Report

To the shareholders of Bell Financial Group Limited

Report on the Consolidated Interim Financial Report

Conclusion

We have reviewed the accompanying **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 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 2023 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 **Consolidated Interim Financial Report** comprises:

- Consolidated Statement of Financial position as at 30 June 2023
- Consolidated Statement of Profit or Loss, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and 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
- 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 these requirements.



Responsibilities of the Directors for the Consolidated Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the 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 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 Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the 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 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 2023 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 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

Luke Sullivan
Partner

Melbourne
17 August 2023

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