

ASX RELEASE.

BELL FINANCIAL GROUP

20 August 2011

Financial results for the half-year ended 30 June 2013

In accordance with the Listing Rules, please find attached the following materials for immediate release to the market:

1. Appendix 4D – half-year report
2. Media release
3. Condensed Consolidated Interim Financial Report.



Dean Davenport
Company Secretary

Appendix 4D

Half-Year Report

Bell Financial Group Ltd
Half-year ended 30 June 2013

Listing Rule 4.3A

Company: Bell Financial Group Ltd
ASX Code BFG
Half-Year Ended 30 June 2013
ABN 59 083 194 763

1. The information contained in this report is for the half-year ended 30 June 2013 and the previous corresponding period, 30 June 2012.
2. Statutory Results for Announcement to the market for the Bell Financial Group Ltd Consolidated Group:

			\$ ('000)
Total Revenue from ordinary activities:		Up 18.25%* to	76,688
Profit / (loss) from ordinary activities after income tax:		Up 282.53% to	3,333
Basic earnings per share			1.3c
Diluted earnings per share			1.3c
<u>Dividends</u>	Amount	Amount per security	Franked amount per security
Interim dividend (declared)	\$2,596,230.50	\$0.01	\$0.01

* Total Revenue for the half-year ended 30 June 2013 includes the results of Third Party Platform Pty Ltd (Bel Direct).

3. Brief explanation of any of the figures mentioned above necessary to enable the figures to be understood:

Refer attached Release to Market.

4. Financial Report

Refer to Bell Financial Group Ltd's Condensed Interim Financial Report (attached).

5. Dividends or distribution reinvestment plans

Dividend or distribution reinvestment plans in operation - not applicable.

The last date(s) for receipt of election notices for the dividend or distribution plans - not applicable.

6. NTA backing

	30 June 2013	31 December 2012
Net tangible asset backing per ordinary share	\$0.18	\$0.17

7. Details of Associate

None

8. Entities over which control has been gained or lost

Entity name: Third Party Platform Pty Ltd (Bell Direct)

Percentage holding: 51.23%

Date of gain of control: 28 May 2012*

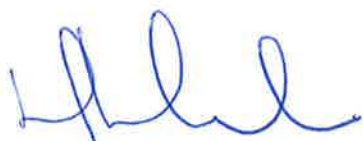
* The Group adopted AASB 10 Consolidated Financial Statements during the period. This change in accounting policy resulted in the Group determining it acquired control over Third Party Platform Pty Ltd (Bell Direct) on 28 May 2012.

9. Commentary on the results for the period

Refer to Bell Financial Group Ltd Condensed Interim Financial Report attached.

10. Reviewed accounts

The accounts have been reviewed and are not subject to qualification.



Dean Davenport
Company Secretary
20 August 2013

MEDIA RELEASE

DATE: 20 August 2013

Results for the six months to 30 June 2013

Bell Financial Group (ASX:BFG) today announced a \$3.3 million net profit for the six month period ended June 30 2013, a turnaround from the \$1.8 million loss reported in the previous corresponding period.

The stronger result was attributable to a 13% increase in like on like revenues driven by an improvement in retail brokerage numbers and a steady performance from the Equity Capital Markets and Wholesale divisions.

"We saw an improvement in confidence amongst retail investors particularly in the first quarter of the year", Bell Financial Group Executive Chairman Colin Bell said.

The Group's pre-tax profit was \$5 million and pleasingly, all of the underlying businesses were profitable.

"During the period Bell Financial Group's ownership of the online broking business Bell Direct increased to 51.23%. Bell Direct continued to improve across key metrics and was profitable for the half on a pre-tax basis", Mr Bell said.

The Company declared a fully franked interim dividend of 1 cent per share.

ENDS...

About Bell Financial Group

Bell Financial Group Ltd (bellfg.com.au, ASX: BFG) is a leading Australian full service stock broking and financial advisory firm with a strong track record of providing high quality, professional advice to private, institutional and corporate investors. BFG has 13 offices covering Australia, plus one office in Hong Kong and one in the UK. BFG has one of the largest distribution networks in the country and the firm's consistent aim is to meet its clients' investment objectives.

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Bell Financial Group Ltd
ABN 59 083 194 763

Condensed Consolidated Interim Financial Report
30 June 2013

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with Bell Financial Group Ltd's annual report for the year ended 31 December 2012 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Bell Financial Group Ltd

Directors' Report

The Directors of Bell Financial Group Ltd ("Bell Financial" or the "Company") present their report, together with the financial statements of the Company and its controlled entities (the "consolidated entity" or "Group") and the auditor's review report thereon, for the half-year ended 30 June 2013.

Directors

The Directors of the Company at any time during or since the end of the half-year and up to the date of signing this report are:

Executive Directors

Mr C Bell
Mr A Provan

Non-executive Directors

Mr C Coleman
Mr G Cubbin
Mr B Wilson
Mrs B Shanahan

Apart from that disclosed above, all Directors held office throughout the period ended 30 June 2013.

Principal activities

Bell Financial is an Australian based provider of stockbroking, investment and financial advisory services to private, institutional and corporate clients. Operating across 12 offices nationwide and offices based in London and Hong Kong, Bell Financial has over 600 employees, including more than 300 experienced advisers, serving over 125,000 active clients with funds under advice of over \$22 billion.

Review and results of operations

The consolidated after tax result attributable to members for the half-year ended 30 June 2013 was a \$3.3 million profit (2012: \$1.8 million loss). A summary of the operations of the Group during the half-year is set out in the attached company announcement.

The Company has declared fully franked interim dividend of 1.0 cents per share (2012: Nil). The dividend record date is 4 September 2013 and payment is expected to be made on 25 September 2013.

Directors' Report (continued)

Matters subsequent to the end of the financial half-year

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

Indemnification and insurance of Directors

The Company has agreed to indemnify the current Directors against all liabilities to another person (other than the Company or related entity) that may arise from their position as Directors of the Company, except where the liabilities arise out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses. In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of liabilities covered by the insurance, the limit of the indemnity and the amount of the premium paid under the contract.

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 2013.

Rounding of amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 January 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors.



Colin Bell
Executive Chairman

20 August 2013



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

To: the directors of Bell Financial Group Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2013 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

Dean Waters
Partner

Melbourne

20 August 2013

Condensed consolidated income statement

For the half-year ended 30 June 2013

	Half-year ended 30 June	
	2013 \$ '000s	2012 \$ '000s
Rendering of services	71,519	57,568
Finance income	7,469	8,573
Investing income	(474)	(35)
Other income	174	437
Total revenue	78,688	66,543
Employee expenses	(50,324)	(43,214)
Depreciation and amortisation expenses	(605)	(770)
Occupancy expenses	(6,537)	(7,684)
Systems and communication expenses	(7,797)	(7,213)
Professional expenses	(1,529)	(1,492)
Finance expenses	(2,857)	(4,188)
Other expenses	(4,045)	(4,360)
Total expenses	(73,694)	(68,921)
Results from operating activities	4,994	(2,378)
Share of profit / (loss) of equity accounted investments (net of income tax)	-	(344)
Profit / (loss) before income tax	4,994	(2,722)
Income tax (expense) / benefit	(1,681)	896
Profit / (loss) after tax for the period	3,313	(1,826)
Attributable to:		
Equity holders of the Company	3,333	(1,826)
Non-controlling interests	(20)	-
Profit / (loss) for the period	3,313	(1,826)
Earnings per share:	Cents	Cents
Basic earnings per share	1.3	(0.7)
Diluted earnings per share	1.3	(0.7)

The notes on pages 11 to 18 are an integral part of these consolidated interim financial statements.

Condensed consolidated statement of comprehensive income

For the half-year ended 30 June 2013

	Half-year ended 30 June	
	2013	2012
	\$ '000s	\$ '000s
Profit / (loss) for the period	3,313	(1,826)
Other comprehensive income		
Effective portion of changes in fair value of cash flow hedge	2	200
Other comprehensive income for the period, net of tax	2	200
Total comprehensive income for the period	3,315	(1,626)
Attributable to:		
Equity holders of the Company	3,335	(1,626)
Non-controlling interests	(20)	-
Total comprehensive income for the period	3,315	(1,626)

The notes on pages 11 to 18 are an integral part of these consolidated interim financial statements.

Condensed consolidated statement of financial position

As at 30 June 2013

	Note	30 June 2013 \$ '000	Restated 31 Dec 2012 \$ '000
Assets			
Cash and cash equivalents	7.	126,779	107,720
Trade and other receivables		157,246	72,685
Loans and advances	8.	161,906	147,120
Financial assets		1,571	2,249
Prepayments		332	553
Total current assets		447,834	330,327
Investments in equity accounted investees		-	-
Deferred tax assets		10,078	9,517
Property, plant and equipment		2,095	2,356
Goodwill	9.	130,413	130,413
Intangible assets		2,232	2,104
Total non-current assets		144,818	144,390
Total assets		592,652	474,717
Liabilities			
Trade and other payables	10.	218,770	109,647
Deposits and borrowings	11.	180,462	175,768
Current tax liabilities		1,335	495
Derivative liability		56	58
Employee benefits		10,088	9,175
Provisions		513	899
Total current liabilities		411,224	296,042
Deferred tax liability		3	-
Employee benefits		2,568	2,478
Total non-current liabilities		2,571	2,478
Total liabilities		413,795	298,520
Net assets		178,857	176,197
Equity			
Contributed equity		164,284	164,284
Other Equity		1,805	2,764
Reserves		(957)	(885)
Non-controlling interests		4,305	3,947
Retained earnings		9,420	6,087
Total equity attributable to equity holders of the Company		178,857	176,197

The notes on pages 11 to 18 are an integral part of these consolidated interim financial statements.

Condensed consolidated statement of changes in equity

For the half-year ended 30 June 2013

	Share capital \$ '000	Treasury shares reserve \$ '000	Share based payments reserve \$ '000	Cash flow hedge reserve \$ '000	Retained earnings \$ '000	Non Controlling \$ '000	Other Equity \$ '000	Total equity \$ '000
Balance at 1 January 2012	164,284	(863)	8	(228)	11,440	-	-	174,641
Total comprehensive income	-	-	-	-	(1,826)	-	-	(1,826)
Profit / (loss) for the period	-	-	-	-	(1,826)	-	-	(1,826)
Other comprehensive income	-	-	-	200	-	-	-	200
Change in fair value of cash flow hedge	-	-	-	200	-	-	-	200
Total other comprehensive income	-	-	-	200	-	-	-	200
Total comprehensive income for the period	-	-	-	200	(1,826)	-	-	(1,626)
Transactions with owners, directly in equity	-	-	539	-	-	-	-	539
Share based payments	-	-	539	-	-	-	-	539
Purchase of treasury shares	-	(811)	-	-	-	-	-	(811)
Employee shares awards exercised	-	120	(120)	-	-	-	-	-
Dividends	-	-	-	-	(2,596)	-	-	(2,596)
Balance at 30 June 2012	164,284	(1,554)	427	(28)	7,018	-	-	170,147
Balance at 1 January 2013	164,284	(1,434)	607	(58)	6,087	3,947	2,764	176,197
Total comprehensive income	-	-	-	-	3,313	-	-	3,313
Profit / (loss) for the period	-	-	-	-	3,313	-	-	3,313
Other comprehensive income	-	-	-	2	-	-	-	2
Change in fair value of cash flow hedge	-	-	-	2	-	-	-	2
Total other comprehensive income	-	-	-	2	-	-	-	2
Total comprehensive income for the period	-	-	-	2	3,313	-	-	3,315
Transactions with owners, directly in equity	-	-	-	-	20	(20)	-	-
Transfer of retained earnings	-	-	-	-	20	(20)	-	-
Increase / (Decrease) in Non-controlling interests	-	-	-	-	-	378	-	378
Increase/ (Decrease) in Other Equity	-	-	-	-	-	-	(959)	(959)
Share based payments	-	-	299	-	-	-	-	299
Purchase of treasury shares	-	(373)	-	-	-	-	-	(373)
Balance at 30 June 2013	164,284	(1,807)	906	(56)	9,420	4,305	1,805	178,857

Condensed consolidated statement of cash flows

For the half-year ended 30 June 2013

	Half-year ended 30 June	
	2013 \$ '000s	2012 \$ '000s
Cash flows from / (used in) operating activities		
Cash receipts from customers	185,704	124,261
Cash paid to suppliers and employees	(159,512)	(120,377)
Cash generated from / (used in) operations ¹	26,192	3,884
Dividends received	0	21
Interest received	7,469	8,634
Interest paid	(2,857)	(4,188)
Income taxes paid	(1,390)	(714)
Net cash from / (used in) operating activities	29,414	7,637
Cash flows from / (used in) investing activities		
Net proceeds from sale of listed investments	220	-
Acquisition of other investments	-	(2,174)
Acquisition of property, plant and equipment	(110)	(133)
Net cash from / (used in) investing activities	110	(2,307)
Cash flows from / (used in) financing activities		
Dividends paid	-	(2,596)
On market share purchases	(373)	(811)
<i>Bell Potter Capital (Margin Lending)</i>		
Deposits	4,694	(20,604)
Loans	(14,785)	(6,181)
Drawdown / (repayment) of borrowings	-	10,000
Net cash from / (used in) financing activities	(10,464)	(20,192)
Net increase / (decrease) in cash and cash equivalents	19,060	(14,862)
Cash and cash equivalents at 1 January	107,719	109,933
Cash and cash equivalents at 30 June	126,779	95,071

The notes on pages 11 to 18 are an integral part of these consolidated interim financial statements.

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

Notes to the condensed consolidated interim financial statements

1. Reporting entity

Bell Financial Group Ltd (the "Company" or "Bell Financial") is domiciled in Australia. The consolidated financial statements of the Company comprise the Company and its controlled entities (the "Group" or "Consolidated Entity") and the Group's interest in associates.

The consolidated annual financial report of the Group as at and for the year ended 31 December 2012 is available upon request from the Company's registered office at Level 29, 101 Collins Street, Melbourne or at www.bellfg.com.au.

2. Statement of compliance

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

This condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 December 2012 along with 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 20 August 2013.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

Other than described below the accounting policies applied by the Group in this 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 2012.

During the half year ended 30 June 2013 the Group has adopted AASB 10 Consolidated Financial Statements. As a result the Group has changed its accounting policy with respect to determining whether it has control over Third Party Platform Pty Ltd. In accordance with AASB 10, the 31 December 2012 statement of financial position has been restated. The Group have determined that it acquired control on 28 May 2012. Refer to note 9 for additional information.

Notes to the condensed consolidated interim financial statements

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 2012. During the period, management reviewed estimates in respect of:

- recoverability of deferred taxes;
- impairment of loans and advances;
- impairment of goodwill and intangibles;
- legal provisions; and
- long service leave provisions.

Impairment of goodwill

Goodwill is tested for impairment annually at 31 December, or more frequently if events or changes in circumstances indicate that it might be impaired. At 30 June 2013, an indication of potential impairment was identified, as the carrying amount of the net assets was greater than the market capitalisation of the Group and therefore testing was conducted.

Impairment testing

The recoverable amount of the business to which each goodwill component is allocated is estimated based on its value in use and is determined by discounting the future cash flows generated from continuing use. At 30 June 2013, goodwill allocated to the retail segment was \$49.8 million and \$69.0 million for the wholesale segment and \$11.6m for on-line broking, which represent the lowest level at which it is monitored for internal management purposes.

Assumptions

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

The following assumptions have been used in determining the recoverable amount of the retail and wholesale segments:

Discount rates:

A range of discount rates was used with 11.0% being the mid-point of the range. The discount rate is a post-tax measure based on the risk-free rate, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific business.

Terminal value multiple:

A range of terminal value multiples was used with 7 times representing the midpoint of the range. The multiples were applied to extrapolate the discounted future maintainable after-tax cash flows beyond the five year forecast period.

Notes to the condensed consolidated interim financial statements

Impairment of goodwill (continued)

Assumptions (continued)

Brokerage revenue:

An overall improvement in average brokerage revenue from current levels in both the wholesale and retail businesses.

Corporate fee income:

An overall improvement in corporate fee income as market conditions improve.

The values assigned to the key assumptions represent management's best future assessment for the stock broking industry and the business and are based on both external sources and internal sources (historical data).

Results

The results of impairment testing performed did not result in any impairment being identified.

Sensitivity analysis

The recoverable amounts for the retail and wholesale segments exceed the carrying values. The recoverable amounts are sensitive to several key assumptions and a change in these assumptions could cause the carrying amounts to exceed the recoverable amounts. If brokerage and corporate fee revenue decreases by approximately 2.5% for retail or 4.0% for wholesale from the estimated amounts, the estimated recoverable amounts would be equal to the carrying amounts. If the discount rate increases to 14% for retail or 13.5% for wholesale, the estimated recoverable amounts would be equal to the carrying amounts. Further, if the terminal value multiple decreased to approximately 6.1 times for retail or 6.3 times for wholesale, the estimated recoverable amounts would be equal to the carrying amounts.

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 2012.

Notes to the condensed consolidated interim financial statements

6. Segment reporting

In order to more closely align with how operating results are regularly reviewed and assessed, the operating segments were changed from 1 January 2012. Comparative segment information has been restated accordingly.

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

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

30 June 2013	Retail \$ '000	Wholesale \$ '000	Other \$'000	Consolidated \$ '000
Revenue from operations	60,281	14,592	3,815	78,688
Profit / (loss) after tax	3,080	274	(41)	3,313
Segment assets	442,672	74,399	75,581	592,652
Total assets	442,672	74,399	75,581	592,652
Segment liabilities	356,149	2,486	55,160	413,795
Total liabilities	356,149	2,486	55,160	413,795
Other segment details				
Finance income	7,354	-	115	7,469
Finance expenses	(2,857)	-	-	(2,857)
Depreciation / amortisation	(559)	(9)	(37)	(605)

Restated 30 June 2012	Retail \$ '000	Wholesale \$ '000	Other \$'000	Consolidated \$ '000
Revenue from operations	53,294	13,249	-	66,543
Profit / (loss) after tax	(2,948)	1,122	-	(1,826)
Segment assets	401,293	76,149	67,037	544,479
Total assets	401,293	76,149	67,037	544,479
Segment liabilities	316,868	1,215	59,497	377,580
Total liabilities	316,868	1,215	59,497	377,580
Other segment details				
Finance income	8,573	-	-	8,573
Finance expenses	(4,188)	-	-	(4,188)
Depreciation / amortisation	(645)	(125)	-	(770)
Share of net losses of associates	-	-	(344)	(344)

Notes to the condensed consolidated interim financial statements

7. Cash and cash equivalents

	30 June	Restated 31 December
	2013	2012
	\$'000	\$'000
Cash on hand	13	13
Cash at bank	26,835	30,136
Short-term deposits	10,908	11,387
	37,756	41,536
Margin Lending Cash		
Cash at bank and short-term deposits	22,436	30,593
	22,436	30,593
Client Cash		
Cash at bank (Trust account)	55,832	25,225
Segregated cash at bank (client)	10,755	10,366
	66,587	35,591
Cash and cash equivalents in the statement of cash flows	126,779	107,720

Cash on hand, Cash at bank and Short-term deposits represent Group cash reserves.

Cash on hand and at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for periods of between 60 days and 180 days.

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

Notes to the condensed consolidated interim financial statements

8. Loans and advances

The following loans and advances were held during the period:

	30 June 2013 \$ '000s	31 December 2012 \$ '000s
Current		
Margin Lending	161,906	147,120
	161,906	147,120

There were no impaired, past due or renegotiated loans at 30 June 2013 (2012: nil).

9. Goodwill

Cost and carrying amount

	\$ '000s
Restated Balance at 1 July 2012	130,413
Impairment	-
Balance at 31 December 2012	130,413
Restated Balance at 1 January 2013	130,413
Impairment	-
Balance at 30 June 2013	130,413

Goodwill allocated to Bell Direct online business was \$11.6 million. Following the introduction of AASB10 Consolidated Financial Statements, Bell Financial Group has reassessed when it acquired control over Third Party Platform Pty Ltd. The effective date of control has been determined as 28th May 2012.

The following table summarises the adjustments made to the Group's statement of financial position at 31 December 2012 as a result of the consolidation of Third Party Platform Pty Ltd. There is no material change to the statement of comprehensive income, statement of changes in equity or the statement of cashflows.

Statement of financial position

	As previously reported \$ '000s	Adjustments \$ '000s	As restated \$ '000s
Intangible assets and goodwill	120,264	12,252	132,516
Equity accounted investees	12,750	(12,750)	-
Trade and other receivables	196,655	25,952	222,607
Property, Plant and Equipment	2,243	113	2,356
Deferred Tax Asset	3,199	6,318	9,517
Cash and cash equivalents	104,560	3,160	107,720
Overall impact on total assets	-	35,045	-
Trade and other payables	270,186	28,334	298,520
Overall impact on total liabilities	-	28,334	-
Non-controlling interest	-	3,947	-
Other Equity	-	2,764	-
Overall impact on total equity	-	6,711	-

Notes to the condensed consolidated interim financial statements

10. Trade and other payables

	30 June 2013 \$ '000s	Restated 31 December 2012 \$ '000s
Current		
Settlement obligations ¹	147,013	62,623
Sundry creditors and accruals ²	11,098	9,618
Segregated client liabilities	60,659	37,406
	<u>218,770</u>	<u>109,647</u>

1 'Settlements obligations' are non-interest bearing and are normally settled on 3-day terms.

2 'Sundry creditors' are normally settled on 60-day terms.

11. Deposits and borrowings

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

	30 June 2013 \$ '000s	31 December 2012 \$ '000s
Current		
Deposits ¹	180,462	175,768
Cash advance facility ²	-	-
	<u>180,462</u>	<u>175,768</u>

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

2 Represents drawn funds from available cash advance facility of \$100 million.

Terms and debt repayment schedule

	Nominal interest rate	Year of maturity	Face value 2013 \$ '000	Carrying amount 2013 \$ '000	Face value 2012 \$ '000	Carrying amount 2012 \$ '000
Deposits	1.76%	2013	180,462	180,462	175,768	175,768
			<u>180,462</u>	<u>180,462</u>	<u>175,768</u>	<u>175,768</u>

Notes to the condensed consolidated interim financial statements

12. Dividends

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

	Cents per share	Total amount	Franked / unfranked	Date of payment
2013		\$ '000		
Final 2012 ordinary	-	-	-	-
2012				
Final 2011 ordinary	1.0	2,596	Franked	23 March 2012

All dividends are fully franked based on 30% tax rate.

13. Subsequent events

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

The Company has declared fully franked interim dividend of 1.0 cents per share (2012: Nil). The dividend record date is 4 September 2013 and payment is expected to be made on 25 September 2013.

14. Related parties

There have been no significant changes to the arrangements with related parties. Refer to the full 2012 Annual Financial report for details.

15. 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.

Directors' declaration

In the opinion of the Directors of Bell Financial Group Ltd ("the Company"):

1. the financial statements and notes set out on pages 6 to 18, 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 2013 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 20th day of August 2013.

Signed in accordance with a resolution of the Directors.



Colin Bell
Executive Chairman



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

Report on the financial report

We have reviewed the accompanying interim financial report of Bell Financial Group Ltd, which comprises the condensed consolidated statement of financial position as at 30 June 2013, condensed consolidated income statement and condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the interim period ended on that date, notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2013 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Bell Financial Group Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an 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.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Bell Financial Group Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



Dean Waters
Partner

Melbourne

20 August 2013