The Bell Financial Trust

ARSN 164 391 119

Annual financial statements for the financial year ended 30 June 2023

The Bell Financial Trust

ARSN 164 391 119

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These financial statements cover The Bell Financial Trust as an individual entity.

The Responsible Entity of The Bell Financial Trust is The Trust Company (RE Services) Limited (ACN 003 278 831). The Responsible Entity's registered office is Level 18, 123 Pitt Street Sydney, NSW 2000 Australia.

Directors' report

The Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity (the "Responsible Entity") of The Bell Financial Trust (the "Scheme"). The Directors of the Responsible Entity (the "Directors") present their report together with the financial statements of the Scheme for the year ended 30 June 2023.

Principal activities

The Scheme is a registered managed investment scheme domiciled in Australia.

Money which is invested in the Scheme is lent to Bell Potter Capital Limited ABN 54 085 797 735 ("Bell Potter Capital") as approved by the Responsible Entity. When investing in the Scheme, a unitholder will receive a single unit in the Scheme which represents the unitholder's investment in the Scheme. Each unit in the Scheme forms a separate class. Bell Potter Capital is responsible for paying to the Responsible Entity the principal and interest on the loans made to it on approval by the Responsible Entity and the obligation is guaranteed by the Bell Financial Group Limited.

The Scheme did not have any employees during the period.

The Scheme was registered on the 4th July 2013 when the Scheme's constitution was executed.

There were no significant changes in the nature of the Scheme's activities during the year.

Directors

The Directors of the Trust Company (RE Services) Limited during the year and up to the date of the report are shown below. The Directors were in office for this entire period and up to the date of this report, except where stated otherwise:

Name	Position	Date of appointment/resignation
Christopher Green	Director	Appointed as Director on January 23, 2023
Glenn Foster	Director	
Vicki Riggio	Director	
Phillip Blackmore	Alternate Director	Alternate Director for Vicki Riggio
Simone Mosse	Director	Resigned as Director on January 23, 2023

Review and results of operations

During the year, the Scheme invested in accordance with the guidelines as set out in the governing documents of the Scheme and in accordance with the provision of the Scheme's Constitution.

The performance of the Scheme, as represented by the results of its operations, was as follows:

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
Operating profit before finance costs attributable to unitholders	6,965,487	905,725
Distributions paid	6,965,487	905,725

Significant changes in state of affairs

On January 23, 2023, Simone Mosse resigned as Director and Christopher Green was appointed as Director.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Scheme that occurred during the reporting period.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

(i) the operations of the Scheme in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Scheme in future financial years.

Likely developments and expected results of operations

The Scheme will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's constitution.

The results of the Scheme's operations will be affected by a number of factors, including the performance of assets in which the Scheme invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of the Responsible Entity or the auditors of the Scheme. So long as the officers of the Responsible Entity act in accordance with the Scheme's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditors of the Scheme are in no way indemnified out of the assets of the Scheme.

Fees paid to and interests held in the Scheme by the Responsible Entity or its associates

No fees were paid to the Responsible Entity or its associates out of the Scheme property during the reporting period. This is disclosed in note 9 of the financial statements.

The number of interests in the Scheme held by the Responsible Entity or its associates as at the end of the reporting period are disclosed in note 9 of the financial statements.

Interests in the Scheme

The movements in units on issue in the Scheme during the reporting period are disclosed in note 4 of the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the Statement of Financial Position and derived using the basis set out in note 2 of the financial statements.

Environmental regulation

The operations of the Scheme are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001*(Cth) is set out on page 5 and forms part of this report.

Rounding of amounts

The Scheme 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 dollar.

This report is made in accordance with a resolution of the Directors of The Trust Company (RE Services) Limited.

Director

The Trust Company (RE Services) Limited

4 September 2023

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

To the Directors of The Trust Company (RE Services) Limited, the Responsible Entity of The Bell Financial Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of The Bell Financial Trust for the financial 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 audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Luke Sullivan

Luke Sullivan
Partner

Melbourne

4 September 2023

Statement of Comprehensive Income

	Notes	30 June 2023 $	30 June 2022 $
Investment income			
Interest income		6,965,487	905,725
Total investment income		6,965,487	905,725
Responsible entity's fees	9	-	-
Total operating expenses		-	-
Operating profit before finance costs attributable to unitholders		6,965,487	905,725
Distributions	5	6,965,487	905,725
Total finance costs		6,965,487	905,725
Change in net assets attributable to unitholders	4	-	-
Change in net assets attributable to unitholders		-	-
Other comprehensive income		-	-
Total comprehensive income attributable to unitholders		-	-

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Notes	30 June 2023 $	30 June 2022 $
Assets			
Cash and cash equivalents	10(b)	-	-
Receivables	6	**405,464,644**	**510,105,992**
Total assets		**405,464,644**	**510,105,992**
Liabilities			
Distributions payable	5	-	-
Payables	7	-	-
Total liabilities (excluding net assets attributable to unitholders)		-	-
Net assets attributable to unitholders - liability	4	**405,464,644**	**510,105,992**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of changes in net assets attributable to unitholders

In accordance with AASB 132 Financial Instruments: Presentation, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the beginning and the end of the reporting period.

Changes in net assets attributable to unitholders are disclosed in note 4.

The statement of changes in net assets attributable to unitholders should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Notes	30 June 2023 $	30 June 2022 $
Cash flows from operating activities			
Interest received		-	-
Interest paid		-	-
Other income received		-	-
Responsible Entity's fees paid		-	-
Payment of other expenses		-	-
Net cash inflow/(outflow) from operating activities	10(a)	-	-
Cash flows from financing activities			
Proceeds from applications by unitholders		-	-
Payments for redemptions by unitholders		-	-
Loan to Bell Potter Capital		-	-
Distributions paid		-	-
Net cash inflow/(outflow) from financing activities		-	-
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash and cash equivalents at the end of the reporting period	10(b)	-	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Cash Flows notionally flow through the Bell Financial Trust however, there are no actual cash flows to and from the Scheme. Cash transactions are made directly between unitholders and Bell Potter Capital Limited. Therefore, cash flows in the Statement of Cash Flows are shown as nil.

1. General information

These financial statements cover The Bell Financial Trust ("the Scheme") as an individual entity. The Scheme commenced operations on 4 July 2013.

The Responsible Entity of the Scheme is The Trust Company (RE Services) Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney NSW 2000 Australia.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are presented in the Australian currency.

The financial statements are for the year ended 30 June 2023 ("the reporting period").

The financial statements were authorised for issue by the Directors on 4 September 2023. The Directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods presented, unless otherwise stated in the following text.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth) in Australia.

The Scheme is a for profit entity for the purposes of preparing the financial statements.

The financial statements are prepared on the basis of historical costs except where otherwise stated.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are generally expected to be recovered or settled within twelve months, except for loans receivable and net assets attributable to unitholders where the amount expected to be recovered or settled within twelve months after the end of the reporting period cannot be reliably determined.

Comparative amounts have been presented on a consistent basis to current year.

Compliance with Australian Accounting Standards and International Financial Reporting Standards (IFRS)

The financial statements of the Scheme comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) AASB 9 Financial Instruments

AASB 9 sets out requirements for recognising and measuring financial assets and financial liabilities.

i. Classification and measurement of financial assets

Under AASB 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVTOCI) – debt investment; FVTOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and

2. Summary of significant accounting policies (continued)

(b) AASB 9 Financial Instruments (continued)

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. On initial recognition, the Scheme may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The following accounting policies apply to the subsequent measurement of financial assets held by the Scheme.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The Scheme does not have any debt or equity investments at FVTOCI.

Business model assessment

The Scheme will determine the business model at the level that reflects how groups of financial assets are managed using all relevant evidence that is available at the date of the assessment, including:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Scheme's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- How managers of the business are compensated.

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Scheme considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Measurement categories of financial assets

Trade and other receivables and loans are classified as amortised cost.

2. Summary of significant accounting policies (continued)

(b) AASB 9 Financial Instruments (continued)

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Scheme evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, the contractual rights to cash flows from the original financial asset are deemed to have expired. The original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset are not substantially different, the Scheme recalculates the gross carrying amount of the financial asset and recognises the derecognition as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, the gain or loss is presented together with impairment losses.

Financial liabilities

The Scheme derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. A new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Scheme distributions are recognised on an entitlements basis.

ii. Impairment of financial assets

Under AASB 9, loss allowances are measured on either of the following bases:

- 12-month expected credit loss ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime expected credit loss ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

For all financial assets at amortised cost, the Scheme measures loss allowances at an amount equal to lifetime ECLs, except for loans and advances, which are measured at 12-month ECLs where credit risk has not increased significantly since initial recognition and lifetime ECLs where credit risk has increased significantly since initial recognition.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis based on the Scheme's historical experience and forward-looking information.

The Scheme assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due or the expected probability of default has increased significantly.

The Scheme considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Scheme in full, without recourse by the Scheme to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Scheme is exposed to credit risk.

Measurement of ECLs

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Scheme expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

2. Summary of significant accounting policies (continued)

(b) AASB 9 Financial Instruments (continued)

Credit-impaired financial assets

At each reporting date, the Scheme assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Impairment losses are presented separately in the statement of profit or loss and other comprehensive income OCI. There were no impairment losses for the year ending 30 June 2023 (2022: Nil). Refer to Note 8(d) for further detail.

Trade and other receivables

ECLs are calculated based on actual historical credit loss experience. Exposures are segmented based on past events, current conditions and reasonable and supportable information about future events and economic conditions. There were no significant changes during the period to Scheme's exposure to credit risk and there was no significant impact to credit provisioning over trade and other receivables as at 30 June 2023.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are classified as financial liabilities due to mandatory distributions. The units can be put back to the Scheme at any time for cash based on the redemption price. The units are carried at the redemption price that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Scheme.

(d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, there are no actual cash flows to and from the Scheme. Cash transactions are made directly between unitholders and Bell Potter Capital Limited. Therefore, cash flows in the Statement of Cash Flows are shown as nil.

(e) Interest income

Interest income is recognised as it accrues using the effective interest rate method.

(f) Expenses

Unless otherwise set out in the financial statements, Bell Potter Capital Limited, the manager of the Scheme, pays the expenses of the Scheme directly, on the Scheme's behalf.

(g) Income tax

Under current legislation, the Scheme is not subject to income tax as unitholders are presently entitled to the income of the Scheme and all taxable income has been distributed.

(h) Distributions

In accordance with the Scheme's constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of Comprehensive Income as finance costs attributable to unitholders.

Scheme distributions are recognised on an entitlements basis.

(i) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of Comprehensive Income as finance costs.

2. Summary of significant accounting policies (continued)

(j) Receivables

Receivables include loans made to Bell Potter Capital Limited and are measured initially at fair value plus transaction costs and subsequently carried at amortised costs using the effective interest rate method, less impairment loss, if any.

(k) Payables

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the reporting period.

(l) Applications and redemptions

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

Unit redemption prices are determined in accordance with the Scheme's constitution by reference to the net assets of the Scheme divided by the number of units on issue.

(m) Goods and services tax (GST)

Expenses are recognised net of the amounts of goods and services tax (‘GST’) recoverable from the Australian Taxation Office (‘ATO’) as a reduced input tax credit (‘RITC’).

Creditors and accruals are stated with the amounts of GST Included.

The net amount of GST Recoverable from the ATO is included in the receivables in the Statement of Financial Position.

(n) Use of judgements and estimates

The Scheme may make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements. Estimates are continually evaluated and based on historical experience, available information and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(o) Going concern

There are no material uncertainties related to events or conditions that may cast significant doubt on the Scheme’s ability to continue as a going concern, whether they arise during the period or after the reporting date. Bell Potter Capital is responsible for paying to the Responsible Entity the principal and interest on the loan made to it by the Responsible Entity and the obligation is guaranteed by the Bell Financial Group Limited.

(p) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual years beginning after 1 July 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements.

3. Auditor’s remuneration

The auditors' remuneration is paid directly by Bell Potter Capital Limited, the administrator and investment manager of the Scheme.

During the reporting period the following fees were paid or payable for services provided by the auditors to the Scheme or its related parties:

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
KPMG		
Audit services		
Audit and review of financial reports	**17,922**	**15,450**
PWC		
Other assurance services		
Other compliance and regulatory audit services	**2,833**	**2,475**
Total auditor’s remuneration	**20,755**	**17,925**

4. Net assets attributable to unitholders

As stipulated within the Scheme's constitution, each unit represents a right to an individual unit in the Scheme and does not extend to a right to the underlying assets of the Scheme.

Movements in the number of units and net assets attributable to unitholders during the reporting period were as follows:

	No.[1]	$
Opening balance 1 July 2021	**30,382**	**465,892,301**
Net assets attributable to unitholders		
Net applications, contributions/(withdrawals)[1]	**669**	**44,213,691**
Redemptions[1]	**(381)**	**-**
Change in net assets attributable to unitholders	**-**	**-**
Closing balance 30 June 2022	**30,670**	**510,105,992**
Opening balance 1 July 2022	**30,670**	**510,105,992**
Net assets attributable to unitholders		
Net applications, contributions/(withdrawals)[1]	**1,563**	**(104,641,348)**
Redemptions[1]	**(480)**	**-**
Change in net assets attributable to unitholders	**-**	**-**
Closing balance 30 June 2023	**31,753**	**405,464,644**

Capital risk management

The Responsible Entity considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a financial liability under Accounting Standards. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Scheme's constitution, the Responsible Entity has the discretion to reject an application for units and to defer a redemption of units if the exercise of such discretion is in the best interests of unitholders.

[1] Each member is issued with a single unit, each of which is a separate class. Net applications, contributions/(withdrawals) therefore represent the net of applications, plus additional contributions, less withdrawals to units. Withdrawal is a reduction in application price. Redemption is the closure of a unit which occurs after all funds have been withdrawn and unit closed.

5. Distribution to unitholders

The distributions paid and payable for the financial year were as follows:

	30 June 2023 $	30 June 2022 $
Distributions		
Paid	**6,965,487**	**905,725**
Payable	**-**	**-**
	6,965,487	**905,725**

Cash Flows notionally flow through the Bell Financial Trust however, there are no actual cash flows to and from the Scheme. Cash transactions are made directly between unitholders and Bell Potter Capital Limited.

6. Receivables

	30 June 2023 $	30 June 2022 $
Loans to Bell Potter Capital(1)	**405,464,644**	**510,105,992**
Accrued income	**-**	**-**
	405,464,644	**510,105,992**

The carrying value of receivables approximates their fair value. No impairment allowance in respect of receivables noted during the year (2022: Nil). There are no amounts in arrears or past due. Refer to 8(d) for further detail.

(1) The loan to Bell Potter Capital is interest earning with an effective interest rate of 1.47% (2022: 0.17%) which is secured over the assets of Bell Potter Capital.

7. Payables

	30 June 2023 $	30 June 2022 $
Trade payables	**-**	**-**
Accrued expenses	**-**	**-**
Transaction cost payables	**-**	**-**
	-	**-**

8. Financial risk management

(a) Overview

The Scheme's activities expose it to a variety of financial risks. The Scheme's overall risk management programme focuses on ensuring compliance with the Scheme's Product Disclosure Statement. It also seeks to maximise the returns derived for the level of risk to which the Scheme is exposed and seeks to minimise potential adverse effects on the Scheme's financial performance. The management of these risks is conducted by the Scheme's Manager who manages the Scheme's assets in accordance with its investment objective.

The Manager of the Scheme is aware of the risks associated with the business of investment management. A risk management framework has been established by the Scheme Manager who conducts regular assessment processes in order to ensure that procedures and controls are adequately managing the risks arising from the Scheme's activities.

This framework includes:

- Integrated computer systems and processes with checks and balances,
- Policies and procedures covering operations,
- Segregation of administration and settlement functions.

The Responsible Entity has in place a framework which includes:

- The Scheme Manager providing the Responsible Entity with regular reports on their compliance with the Services Deed,
- Completion of regular reviews on the Service Provider which may include a review of the investment managers risk management framework to manage the financial risks of the Scheme,
- Regular reporting on the liquidity of the Scheme in accordance with the Scheme's Liquidity Risk Management Statement.

(b) Objectives, strategies, policies and processes

This note presents information about the Scheme's exposure to each of the below mentioned risks and the Scheme's policies and processes for measuring and managing risks.

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and ratings analysis for credit risk, for financial reporting purposes. The Scheme invests in accordance with the investment objectives and restrictions as set out in the governing documents of the Scheme. The investment objectives, restrictions and associated risks are managed by the Scheme through its portfolio construction process, internal controls and compliance processes.

The Scheme's compliance plan outlines the internal controls of the Scheme and is audited on an annual basis as to whether the controls operated as described.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: price risk and interest rate risk. Market risk is managed through ensuring that all investment activities are undertaken in accordance with investment strategies.

The market risk disclosures are prepared on the basis of the Scheme's direct investments and not on a look through basis for investments held in the Scheme.

The sensitivity of the Scheme's net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) to price risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, historical correlation of the Scheme's investments with the relevant benchmarks and market volatility.

(i) Equity and other price risk

Equity and other price risk is the risk the fair value of equities and unit prices decrease as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market.

There was no significant direct equity and other price risk in the Scheme as at 30 June 2023 and 30 June 2022.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

There was no significant interest rate risk in the Scheme as at 30 June 2023 and 30 June 2022, in that the interest rate that the Scheme pays on the value of units matches the interest rate that is required on the loans to Bell Potter Capital.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Refer to Note 2(b)(ii) for accounting policy over ECL.

Other than the loan to Bell Potter Capital there was no significant direct exposure to credit risk in the Scheme as at 30 June 2023 and 30 June 2022. Expected credit loss on the loans receivables from Bell Potter Capital is nil (2022: nil) on the basis of the forecast and expected ability of Bell Potter Capital to repay and the value of the security over the receivable balance

Bell Financial Trust receives the principal and interest on the receivables made to Bell Potter Capital by the Responsible Entity which is guaranteed by Bell Financial Group Limited.

Under the legal arrangements for the Bell Financial Trust, the loans made by the Responsible Entity to Bell Potter Capital are secured over assets of Bell Potter Capital. The Responsible Entity ranks equally with the only other secured creditor, The Trust Company (Australia) Limited ABN 21 000 000 993, which is trustee for the Bell Potter Cash Account.

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Scheme is exposed to daily cash redemptions.

In accordance with the Scheme's policies, the Scheme's liquidity position is monitored on a daily basis, and the Responsible Entity reviews this on a quarterly basis.

Bell Potter Capital, as the borrower, maintains a securitisation facility to provide capacity to return funds to the Trust.

The Responsible Entity can manage liquidity risk by delaying the payment of redemptions if in the best interest of unitholders in the Scheme.

(f) Fair value

The fair value of financial assets (receivables) and financial liabilities (net assets attributable to unitholders) approximates their carrying amounts in the Statement of Financial Position.

9. Related party transactions

Responsible Entity

The Responsible Entity of the Scheme is The Trust Company (RE Services) Limited.

Key management personnel

Key management personnel includes persons who were Directors of The Trust Company (RE Services) Limited at any time during the reporting period.

Name	Position	Date of appointment/resignation
Christopher Green	Director	Appointed as Director on January 23, 2023
Glenn Foster	Director	
Vicki Riggio	Director	
Phillip Blackmore	Alternate Director	Alternate Director for Vicki Riggio
Simone Mosse	Director	Resigned as Director on January 23, 2023

The Directors had nil unit holdings as at 30 June 2023 and 30 June 2022.

Other key management personnel

There were no other key management personnel responsible for planning, directing and controlling the activities of the Scheme, directly or indirectly during the financial year.

Other transactions within the Scheme

From time to time Directors of The Trust Company (RE Services) Limited, or their Director related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors. There were no investments or withdrawals from Directors or their related entities during the year (2022: nil)

Responsible Entity's fees and other transactions

Under the terms of the Scheme's constitution, the Responsible Entity is entitled to receive certain fees and expense recoveries. Fees are paid directly by Bell Potter Capital on behalf of the Scheme.

Fees are on a GST inclusive basis net of any input tax credits available (including reduced input credits).

The transactions during the reporting period and amounts payable at reporting period end between the Scheme and the Responsible Entity were as follows:

	30 June 2023 $	30 June 2022 $
Fees for the reporting period paid by the Scheme to the Responsible Entity	-	-
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	-	-

Bell Potter Capital is the administrator of the Scheme. Legal and professional fees of $398,371 (2022: $494,690) were paid directly by Bell Potter Capital on behalf of the Scheme during the reporting period. No fees were paid by the Scheme to Bell Potter Capital during the reporting period. Bell Potter Capital undertakes to pay the fees and expenses incurred by the Scheme.

Loans receivable from Bell Potter Capital: $405,464,644 (2022: $510,105,992). The Bell Financial Trust is a managed investments scheme that is registered with ASIC. Money which is invested in the Trust is lent to Bell Potter Capital by the Responsible Entity. Bell Potter Capital is responsible for paying to the Responsible Entity the principal and interest made to it by the Responsible Entity and the obligation is guaranteed by the Bell Financial Group Limited.

10. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended 30 June 2023 $	Year ended 30 June 2022 $
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Operating profit before finance costs attributable to unitholders	**6,965,487**	**905,725**
Non-cash items included in profit	**(6,965,487)**	**(905,725)**
Change in net assets attributable to unitholders	-	-
Net change in accrued income and prepaid expenses	-	-
Net change in payables and other liabilities	-	-
Net cash inflow/(outflow) from operating activities	-	-
(b) Components of cash and cash equivalents		
Cash as at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the Statement of Financial Position as follows:	-	-
Cash and cash equivalents	-	-
Total cash and cash equivalents	-	-
(c) Non cash financing and investing activities		
During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	-	-
Total non-cash financing and investing activities	-	-

11. Significant events during the year

On January 23, 2023, Simone Mosse resigned as a Director and Christopher Green was appointed as Director.

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Scheme that occurred during the reporting period.

12. Events occurring after the reporting period

The Directors are not aware of any event or circumstance since the end of the financial year not otherwise addressed within this report that has affected or may significantly affect the operations of the Fund, the results of those operations or the state of affairs of the Fund in subsequent years. The Fund continues to operate as a going concern.

13. Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2023 and 30 June 2022.

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 6 to 21 are in accordance with the *Corporations Act 2001* (Cth), including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Scheme's financial position as at 30 June 2023 and of its performance, as represented by the results of its operations and cash flows, for the reporting period ended on that date; and

(b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

(c) Note 2(a)(i) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(d) the financial statements are in accordance with the Scheme's constitution.

This declaration is made in accordance with a resolution of the Directors.

Director

The Trust Company (RE Services) Limited

4 September 2023

KPMG

Independent Auditor's Report

To the unitholders of The Bell Financial Trust

Opinion

We have audited the ***Financial Report*** of The Bell Financial Trust (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2023
- Statement of comprehensive income for the year then ended;
- Statement of changes in net assets attributable to unitholders, and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Scheme in accordance with *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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in The Bell Financial Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Trust Company (RE Services) Limited (the Responsibility Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

KPMG

Responsibilities of the Directors for the Financial Report

The Directors of The Trust Company (RE Services) Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the Audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Luke Sullivan

Luke Sullivan
Partner

Melbourne
4 September 2023