

# **The Bell Cash Trust**

ARSN 164 391 119

## **Annual financial statements for the financial year ended 30 June 2016**

# The Bell Cash Trust

ARSN 164 391 119

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

The Responsible Entity of The Bell Cash 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 directors of The Trust Company (RE Services) Limited (ACN 003 278 831), the Responsible Entity of The Bell Cash Trust, present their report together with the financial statements of The Bell Cash Trust ("the Scheme") for the reporting period ended 30 June 2016 ("the reporting period").

### Principal activities

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

The Scheme invested funds in accordance with the provisions of the Scheme constitution.

The Scheme did not have any employees during the period.

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

### Directors

The following persons held office as directors of the Responsible Entity during the reporting period or since the end of the reporting period and up to the date of this report:

|                    |   |
|--------------------|---|
| Gillian Larkins    | (appointed 7 March 2014, resigned 31 July 2015)   |
| Christopher Green  | (appointed 7 March 2014)  |
| Andrew Cannane     | (appointed 31 March 2011)   |
| Glenn Foster       | (resigned as Alternate Director for Gillian Larkins on 31 July 2015, appointed as Director on 31 July 2015) |
| Anna O'Sullivan    | (resigned as Alternate Director for Andrew Cannane and Christopher Green on 7 December 2015)                |
| Rodney Ellwood     | (appointed as Alternate Director for Andrew Cannane and Christopher Green on 7 December 2015)               |
| Micahel Vainauskas | (appointed as Director on 2 March 2015)   |

### Review and results of operations

The Scheme is a managed investment scheme that is registered with the Australian Securities & Investments Commission. Money which is invested in the Scheme is lent to Bell Potter Capital by the Responsible Entity. When investing in the Scheme, you receive a single unit in the Scheme, which represents your 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 by the Responsible Entity and the obligation is guaranteed by the Bell Financial Group Limited. The Responsible Entity issued the Scheme's product disclosure statement (PDS) on 29 May 2015.

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

|   | <b>Year ended<br/>30 June<br/>2016</b> | <b>Year ended<br/>30 June<br/>2015</b> |
|---|--|--|
|   | <b>\$</b>                              | <b>\$</b>                              |
| Operating profit before finance costs attributable to unitholders | <u><b>809,961</b></u>                  | <u><b>78</b></u>                       |
| <i>Distributions</i>  |  |  |
| Distributions paid / payable                                      | <u><b>809,961</b></u>                  | <u><b>78</b></u>                       |
|   | <u><b>809,961</b></u>                  | <u><b>78</b></u>                       |

### **Significant changes in state of affairs**

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

### **Events occurring after the reporting period**

Except as disclosed in note 11 in the financial statements, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- (i) the operations of the Scheme in future reporting periods, or
- (ii) the results of those operations in future reporting periods, or
- (iii) the state of affairs of the Scheme in future reporting periods.

### **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.

Further information on likely developments in the operations of the Scheme and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Scheme.

### **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 law, 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.

This report is made in accordance with a resolution of the directors.



Director

The Trust Company (RE Services) Limited  
7 September 2016



***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 Cash Trust

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 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

Dean M Waters  
*Partner*

Melbourne

7 September 2016

**Statement of comprehensive income**

|  | Notes | Year ended<br>30 June<br>2016<br>\$ | Year ended<br>30 June<br>2015<br>\$ |
|--|-------|-------------------------------------|-------------------------------------|
| <b>Investment Income</b>   |       |                                     |                                     |
| Interest income  |       | 809,961                             | 78                                  |
| Other income   |       | <u>-</u>                            | <u>-</u>                            |
| <b>Total Investment Income</b>   |       | <u>809,961</u>                      | <u>78</u>                           |
|  |       |                                     |                                     |
| Responsible Entity's fees  | 9     | -                                   | -                                   |
| Other expenses   |       | <u>-</u>                            | <u>-</u>                            |
| <b>Total Operating expenses</b>  |       | <u>-</u>                            | <u>-</u>                            |
|  |       |                                     |                                     |
| <b>Operating profit before finance costs attributable to unitholders</b> |       | <u>809,961</u>                      | <u>78</u>                           |
|  |       |                                     |                                     |
| Distributions  | 5     | <u>809,961</u>                      | <u>78</u>                           |
| <b>Total finance costs</b>   |       | <u>809,961</u>                      | <u>78</u>                           |
|  |       |                                     |                                     |
| Change in net assets attributable to unitholders                         | 4     | <u>-</u>                            | <u>-</u>                            |
| <b>Change in net assets attributable to unitholders</b>                  |       | <u>-</u>                            | <u>-</u>                            |
|  |       |                                     |                                     |
| Other comprehensive income   |       | <u>-</u>                            | <u>-</u>                            |
| <b>Total comprehensive income attributable to unitholders</b>            |       | <u>-</u>                            | <u>-</u>                            |

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

**Statement of financial position**

|   | Notes | 30 June<br>2016<br>\$ | 30 June<br>2015<br>\$ |
|---|-------|-----------------------|-----------------------|
| <b>Assets</b>   |       |                       |                       |
| Cash and cash equivalents   | 10(b) | -                     | -                     |
| Receivables   | 6     | <u>161,959,222</u>    | <u>378,123</u>        |
| <b>Total assets</b>   |       | <u>161,959,222</u>    | <u>378,123</u>        |
| <b>Liabilities</b>  |       |                       |                       |
| Distributions payable   | 5     | -                     | -                     |
| Payables  | 7     | <u>-</u>              | <u>-</u>              |
| <b>Total liabilities (excluding net assets attributable to unitholders)</b> |       | <u>-</u>              | <u>-</u>              |
| <b>Net assets attributable to unitholders</b>                               | 4     | <u>161,959,222</u>    | <u>378,123</u>        |

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 | Year ended<br>30 June<br>2016<br>\$ | Year ended<br>30 June<br>2015<br>\$ |
|---|-------|-------------------------------------|-------------------------------------|
| <b><i>Cash flows from operating activities</i></b>                  |       |                                     |                                     |
| Interest received   |       | 809,961                             | 78                                  |
| Interest paid   |       | -                                   | -                                   |
| Other income received   |       | -                                   | -                                   |
| Responsible Entity's fees paid                                      |       | -                                   | -                                   |
| Payment of other expenses   |       | -                                   | -                                   |
| <b>Net cash inflow/(outflow) from operating activities</b>          | 10(a) | <u>809,961</u>                      | <u>78</u>                           |
| <b><i>Cash flows from financing activities</i></b>                  |       |                                     |                                     |
| Proceeds from applications by unitholders                           |       | 161,581,099                         | 378,123                             |
| Payments for redemptions by unitholders                             |       | -                                   | -                                   |
| Loan to Bell Potter Capital   |       | (161,581,099)                       | (378,123)                           |
| Distributions paid  |       | <u>(809,961)</u>                    | <u>(78)</u>                         |
| <b>Net cash inflow/(outflow) from financing activities</b>          |       | <u>(809,961)</u>                    | <u>(78)</u>                         |
| <b>Net increase in cash and cash equivalents</b>                    |       |                                     |                                     |
| Cash and cash equivalents at the beginning of the reporting period  |       | -                                   | -                                   |
| <b>Cash and cash equivalents at the end of the reporting period</b> | 10(b) | <u>-</u>                            | <u>-</u>                            |

The above statement of cash flows should be read in conjunction with the accompanying notes.

## **1 General information**

These financial statements cover The Bell Cash 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 2016 ("the reporting period").

The financial statements were authorised for issue by the directors on 7 September 2016. 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.

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 investments in financial assets 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.

#### *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) 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 fair value of redeemable units is measured at the redemption amount 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.

### **(c) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **(d) Investment Income**

Interest income is recognised in the statement of comprehensive income for all financial instruments on an accrual basis.

Scheme distributions are recognised on an entitlements basis.

**(e) Expenses**

All expenses, including the Responsible Entity's fees are recognised in the statement of comprehensive income on an accruals basis. 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.

**(f) Income tax**

Under current legislation, the Scheme is not subject to income tax as unitholders are presently entitled to the income of the Scheme.

**(g) 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.

**(h) 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.

**(i) Receivables**

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

**(j) Payables**

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

**(k) 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.

**(l) 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.

Cash flows relating to GST are included in the statement of cash flows on a gross basis.

**(m) 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.

**(n) 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.

**(o) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period and have not been early adopted by the Scheme. The assessment of the impact of these new standards (to the extent relevant to the Scheme) and interpretations is set out below:

AASB 9 *Financial Instruments* and its related amendments addresses the classification, measurement and derecognition of financial assets and liabilities. It has now introduced new expected credit loss model for calculating impairment on financial assets and revised rules around hedge accounting. This standard is not applicable until 1 January 2018 but is available for early adoption. Management have not yet assessed the impact of adopting this standard.

AASB 15 *Revenue from Contracts with Customers* will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risk and rewards. This standard is applicable for financial years commencing on or after 1 January 2017. Management have not yet assessed the impact of adopting this standard.

### 3 Auditor's remuneration

The auditor's remuneration is paid directly by Bell Potter Capital Limited, the administrator of the Scheme.

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

|  | Year ended<br>30 June<br>2016<br>\$ | Year ended<br>30 June<br>2015<br>\$ |
|--|-------------------------------------|-------------------------------------|
| <b>Audit services</b>  |                                     |                                     |
| <i>Audit and other assurance services</i>  |                                     |                                     |
| Audit and review of financial statements by KPMG under the<br><i>Corporations Act 2001 (Cth)</i> | 15,000                              | 15,000                              |
| <b>Total auditor's remuneration</b>  | 15,000                              | 15,000                              |

#### 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:

|  | For the reporting period ended      |                       |
|--|-------------------------------------|-----------------------|
|  | 30 June<br>2016<br>No. <sup>1</sup> | 30 June<br>2016<br>\$ |
| <b>Opening balance</b>                           | 33                                  | 378,123               |
| <b>Net assets attributable to unitholders</b>    |                                     |                       |
| Applications <sup>1</sup>                        | 17,550                              | 161,581,099           |
| Redemptions                                      | -                                   | -                     |
| Change in net assets attributable to unitholders | <u>-</u>                            | <u>-</u>              |
| <b>Closing balance</b>                           | <u>17,583</u>                       | <u>161,959,222</u>    |

#### Capital risk management

The Scheme considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a financial liability. 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 or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

<sup>1</sup> Each member is issued with a single unit, each of which is a separate class. Applications therefore represent the net of application and 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.

<sup>1</sup> Each unit represents a separate class.

## 5 Distribution to unitholders

The distributions payable for the reporting period were as follows:

|                      | 30 June<br>2016<br>\$ | 30 June<br>2015<br>\$ |
|----------------------|-----------------------|-----------------------|
| <b>Distributions</b> |                       |                       |
| Paid                 | 809,961               | 78                    |
| Payable              | -                     | -                     |
|                      | <u>809,961</u>        | <u>78</u>             |

## 6 Receivables

|                              | 30 June<br>2016<br>\$ | 30 June<br>2015<br>\$ |
|------------------------------|-----------------------|-----------------------|
| Loans to Bell Potter Capital | 161,959,222           | 378,123               |
| Accrued income               | -                     | -                     |
| GST receivable               | -                     | -                     |
|                              | <u>161,959,222</u>    | <u>378,123</u>        |

The carrying value of receivables approximates their fair value.

## 7 Payables

|                           | 30 June<br>2016<br>\$ | 30 June<br>2015<br>\$ |
|---------------------------|-----------------------|-----------------------|
| Trade payables            | -                     | -                     |
| Accrued expenses          | -                     | -                     |
| Transaction cost payables | -                     | -                     |
|                           | -                     | -                     |
|                           | -                     | -                     |

## 8 Financial risk management

### (a) Objectives, strategies, policies and processes

The Scheme's activities may expose it to a variety of financial risks: market risk (including price risk, and interest rate risk), credit risk and liquidity risk.

This note presents information about the Scheme's exposure to each of the above 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.

### (b) 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 2016 and 30 June 2015.

#### (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 2016 and 30 June 2015, 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.

**(c) 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.

Other than the loan to Bell Potter Capital there was no significant direct exposure to credit risk in the Scheme as at 30 June 2016 and 30 June 2015.

Bell Potter Capital is responsible for paying to the Responsible Entity the principal and interest on the loans made to it by the Responsible Entity and the obligation is guaranteed by the Bell Financial Group Limited.

**(d) 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 and redeemable units.

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.

There was no significant direct liquidity and cash flow risk in the Scheme as at 30 June 2016 and 30 June 2015.

Bell Potter Capital is responsible for paying to the Responsible Entity the principal and interest on the loans made to it by the Responsible Entity and the obligation is guaranteed by the Bell Financial Group Limited.

Under the legal arrangements for the Bell Cash 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.

## 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. The Directors had nil unit holdings as at 30 June 2016 and 30 June 2015.

### 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.

### 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 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:

|  | Year ended<br>30 June<br>2016<br>\$ | Year ended<br>30 June<br>2015<br>\$ |
|--|-------------------------------------|-------------------------------------|
| 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 \$109,874 (2015: \$75,526) 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.

Bell Potter Capital loan payable to Bell Cash Trust: \$161,959,222. The Bell Cash 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<br>30 June<br>2016<br>\$ | Year ended<br>30 June<br>2015<br>\$ |
|---|-------------------------------------|-------------------------------------|
| <b>(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities</b>   |                                     |                                     |
| Operating profit before finance costs attributable to unitholders   | 809,961                             | 78                                  |
| Change in net assets attributable to unitholders  | -                                   | -                                   |
| Net change in accrued income and prepaid expenses   | -                                   | -                                   |
| Net change in payables and other liabilities  | -                                   | -                                   |
| <b><i>Net cash inflow (outflow) from operating activities</i></b>   | <b>809,961</b>                      | <b>78</b>                           |
| <b>(b) Components of cash and cash equivalents</b>  |                                     |                                     |
| 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   | -                                   | -                                   |
| <b><i>Total cash and cash equivalents</i></b>   | <b>-</b>                            | <b>-</b>                            |
| <b>(c) Non-cash financing and investing activities</b>  |                                     |                                     |
| During the reporting period, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan      | -                                   | -                                   |
| <b><i>Total non-cash financing and investing activities</i></b>   | <b>-</b>                            | <b>-</b>                            |

## **11 Events occurring after the reporting period**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2016 or on the results and cash flows of the Scheme for the reporting period ended on that date.

## **12 Contingent assets and liabilities and commitments**

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2016 and 30 June 2015.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 20 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 2016 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) 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  
7 September 2016



## **Independent auditor's report to the unitholders of The Bell Cash Trust**

### **Report on the financial report**

We have audited the accompanying financial report of The Bell Cash Trust (the Scheme), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in net assets attributable to unitholders, and statement of cash flows for the year ended on that date, notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of The Trust Company (RE Services) Limited (the Responsible Entity) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Scheme's financial position, and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Independence*

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

*Auditor's opinion*

In our opinion:

- a) the financial report of the Bell Cash Trust is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Scheme's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

KPMG

KPMG

Dean M Waters  
*Partner*

Melbourne

7 September 2016