

The Bell Cash Trust

ARSN 164 391 119

Annual financial statements for the financial year ended 30 June 2019

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 Trust Company (RE Services) Limited (ABN 45 003 278 831) is the responsible entity (the "Responsible Entity") of The Bell Cash Trust (the "Scheme"). The directors of the Responsible Entity (the "Directors") present their report together with the financials statements of the Scheme for the year ended 30 June 2019.

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, 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 on approval 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 6 June 2019.

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:

Glenn Foster	
Christopher Green	Resigned as Director on 17 October 2018.
Michael Vainauskas	
Andrew McIver	Resigned as Alternate Director for Michael Vainauskas on 2 September 2019. Appointed as Alternate Director for Glenn Foster on 2 September 2019.
Vicki Riggio	
Gillian Larkins	Resigned as Alternate Director for Glenn Foster on 12 October 2018.
Phillip Blackmore	Appointed as Alternate Director for Christopher Green and Vicki Riggio on 6 July 2018. Resigned as Alternate Director for Christopher Green on 17 October 2018.
Richard McCarthy	Appointed as Director 17 October 2018.

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 2019 \$	Year ended 30 June 2018 \$
Operating profit before finance costs attributable to unitholders	3,051,360	3,462,316
Distributions	3,051,360	3,462,316
Distributions paid / payable	3,051,360	3,462,316

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.

Matters subsequent to the end of the financial year

Andrew McIver resigned as Alternate Director for Michael Vainauskas and was appointed as Alternate Director for Glenn Foster on 2 September 2019.

Other than the matter noted above, no other matter or circumstance has arisen since 30 June 2019 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.

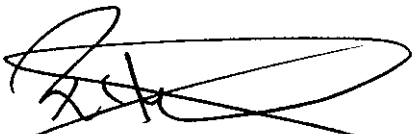
Environmental regulation

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.

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

6th September 2019



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 of The Bell Cash Trust for the financial year ended 30 June 2019 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

Chris Wooden
Partner
Melbourne
6 September 2019

The Bell Cash Trust
Statement of comprehensive income
For the financial year ended 30 June 2019

Statement of comprehensive income

	30 June 2019	30 June 2018
Notes	\$	\$
Investment income		
Interest income	3,051,360	3,462,316
Other income	-	-
Total investment income	3,051,360	3,462,316
Operating expenses		
Responsible entity's fees	-	-
Other expenses	-	-
Total operating expenses	-	-
Operating profit before finance costs attributable to unitholders	3,051,360	3,462,316
Finance costs		
Distributions	3,051,360	3,462,316
Total finance costs	3,051,360	3,462,316
Change in net assets attributable to unitholders	-	-
Other comprehensive income		
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 2019 \$	30 June 2018 \$
Assets			
Cash and cash equivalents	10(b)	-	-
Receivables	6	312,395,707	276,875,379
Total assets		312,395,707	276,875,379
Liabilities			
Distributions payable	5	-	-
Payables	7	-	-
Total liabilities (excluding net assets attributable to unitholders)		-	-
Net assets attributable to unitholders	4	312,395,707	276,875,379

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.

The Bell Cash Trust
Statement of cash flows
For the financial year ended 30 June 2019

Statement of cash flows

	Notes	30 June 2019 \$	30 June 2018 \$
<i>Cash flows from operating activities</i>			
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)	-	-
<i>Cash flows from financing activities</i>			
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 Cash 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 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 2019 ("the reporting period").

The financial statements were authorised for issue by the directors on 6th September 2019. 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 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.

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 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue and related interpretations. It requires identification of discrete performance obligations within a transaction and an associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of the goods or services are transferred to the customer.

The Scheme has adopted AASB 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (1 July 2018).

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. AASB 15 specifically excludes financial instruments recognised under AASB 9 Financial Instruments.

Based on the Scheme's assessment of revenue streams, there is no impact on the Scheme's financial statements upon adoption and no transition adjustment has been made to opening retained earnings. Revenue under AASB 15 is recognised when the Scheme transfers control over a service to a customer. The Scheme measures revenue based on the consideration specified in a contract with a customer. The application of the requirements of AASB 15 have not had a material impact on the Scheme's current accounting policies as the Scheme only earns interest revenue which is recognised under the requirements of AASB 9.

(c) AASB 9 Financial Instruments

The Scheme has initially applied AASB 9 Financial Instruments from 1 July 2018. AASB 9 sets out requirements for recognising and measuring financial assets and financial liabilities. This standard replaces AASB 139 Financial Instruments: *Recognition and Measurement*.

On adoption of AASB 9, there were no material change to recognition and measurement of financial assets and financial liabilities, however disclosure requirements of AASB 9 apply.

i. Classification and measurement of financial assets and financial liabilities

AASB 9 largely retains the existing requirements in AASB 139 for the classification and measurement of financial assets. However, it eliminates the previous AASB 139 categories for financial assets of held to maturity, loans and receivables and available for sale. The impact of AASB 9 on the classification and measurement of financial assets is set out below.

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
- 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 are classified as amortised cost.

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.

There was no impact to opening retained earnings on the carrying amounts of financial assets or financial liabilities at 1 July 2018 from the adoption of AASB 9.

ii. Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under AASB 9, credit losses are recognised earlier than under AASB 139.

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

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime 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.

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 OCI. There were no impairment losses for the year ending 30 June 2019 (2018: Nil).

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 2019.

Interest

Interest revenue is recognised as it accrues using the effective interest rate method, in accordance with AASB 9.

(d) 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.

(e) 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.

(f) Investment income

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

Scheme distributions are recognised on an entitlements basis.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Receivables

Receivables include loans made to Bell Potter Capital Limited 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.

(l) Payables

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

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these financial statements. Those which may be relevant to the Scheme are set out below. The Scheme does not plan to adopt these standards early.

AASB 16 Leases

AASB 16 Leases introduces a single, on-balance sheet accounting model for lessees.

The standard is effective for annual periods beginning on or after 1 July 2019. The Scheme has assessed the potential impact on its Financial Statements resulting from the application of AASB 16 and there will be no impact on the Financial Statements.

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 30 June 2019 \$	Year ended 30 June 2018 \$
Audit services		
<i>Audit and other assurance services</i>		
Audit of financial statements by KPMG under the <i>Corporations Act 2001 (Cth)</i>	15,000	15,000
Other regulatory audit services	5,000	5,000
Total auditor's remuneration	20,000	20,000

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:

	No. ¹	\$
Opening balance 1 July 2017	22,847	292,947,667
Net assets attributable to unitholders		
Applications ¹	2,811	(16,072,288)
Redemptions ¹	-	-
Change in net assets attributable to unitholders	-	-
Closing balance 30 June 2018	25,658	276,875,379
Opening balance 1 July 2018	25,658	276,875,379
Net assets attributable to unitholders		
Applications ¹	1,527	35,520,328
Redemptions ¹	-	-
Change in net assets attributable to unitholders	-	-
Closing balance 30 June 2019	27,185	312,395,707

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. 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.

5. Distribution to unitholders

The distributions payable for the financial year were as follows:

	30 June 2019 \$	30 June 2018 \$
Distributions		
Paid	3,051,360	3,462,316
Payable	-	-
	<u>3,051,360</u>	<u>3,462,316</u>

Cash Flows notionally flow through the Bell Cash 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 2019 \$	30 June 2018 \$
Loans to Bell Potter Capital ⁽¹⁾	312,395,707	276,875,379
Accrued income	-	-
	<u>312,395,707</u>	<u>276,875,379</u>

The carrying value of receivables approximates their fair value.

⁽¹⁾ The loan to Bell Potter Capital is interest bearing in accordance with the Product Disclosure Statement.

7. Payables

	30 June 2019 \$	30 June 2018 \$
Trade payables	-	-
Accrued expenses	-	-
Transaction cost payables	-	-
	<u>-</u>	<u>-</u>

8. Financial risk management

(a) Overview

The Fund'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 Fund'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,

Compliance is integrated into the day to day operations of the Responsible Entity Services team, a Perpetual Corporate Trust (CT) business unit.

The Responsible Entity also has in place a framework to identify, control, report and manage compliance and business obligations, and to ensure that the interests of unitholders in the Scheme are protected.

This framework includes:

- Policies and procedures,
- Committee and board reporting,
- Staff training,
- Formal service provider agreements,
- Compliance reporting by the Manager, Administrator and Custodian (the "Service Providers"),
- Regular reviews of Service Providers, and
- Monitoring of Responsible Entity Services compliance in accordance with Control Self-Assessment methodology.

Responsible Entity Services team is ultimately responsible for compliance monitoring. The Responsible Entity Services team includes the roles of Head of Responsible Entity Services, Senior Risk Manager, Senior Manager - Corporate Clients, Client Manager - Corporate Clients.

Responsible Entity Services undertakes monitoring visits of the Scheme's Service Providers, focusing on the general control environment and investment management, administration and custodial functions as provided to the Responsible Entity of the Scheme. This is conducted to ensure that the Service Providers continue to satisfy their obligations as detailed within the relevant service agreement entered into with the Responsible Entity.

(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 2019 and 30 June 2018.

(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 2019 and 30 June 2018, 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.

Other than the loan to Bell Potter Capital there was no significant direct exposure to credit risk in the Scheme as at 30 June 2019 and 30 June 2018.

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.

(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 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 2019 and 30 June 2018.

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.

(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. The Directors had nil unit holdings as at 30 June 2019 and 30 June 2018.

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 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	30 June
	2019	2018
	\$	\$
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 \$56,140 (2018: \$240,323) 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: \$312,395,707 (2018: \$276,875,379). 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 30 June 2019 \$	Year ended 30 June 2018 \$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Operating profit before finance costs attributable to unitholders	3,051,360	3,462,316
Non-cash items included in profit	(3,051,360)	(3,462,316)
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. 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 2019 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

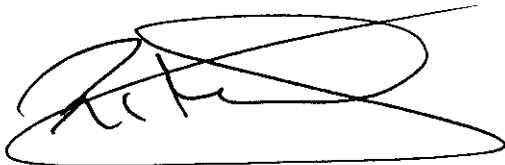
There are no outstanding contingent assets and liabilities or commitments as at 30 June 2019 and 30 June 2018.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 22 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 2019 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

6th September 2019



Independent Auditor's Report

To the unitholders of The Bell Cash Trust

Opinion

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

In our opinion, the accompanying **Financial Report** of The Bell Cash Trust 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 2019, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Statement of financial position as at 30 June 2019
- 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 relevant ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code). We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in The Bell Cash 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 Responsible 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.

Responsibilities of 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 this 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: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.



KPMG

Chris Wooden
Partner

Melbourne
6 September 2019