
Lowell Resources Fund

ARSN 093 363 896

Interim Financial Report for the Half Year

Ended 31 December 2017

Interim Financial Report

For the Half Year Ended 31 December 2017

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DIRECTORS' REPORT

The directors of Cremorne Capital Limited, the Responsible Entity of the fund, submit herewith the condensed financial report of Lowell Resources Fund for the half year ended 31 December 2017. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the directors of the Responsible Entity during or since the end of the half year are:

- Mr M.A. Ramsden
- Mr D. Carroll
- Mr O.R. Carton

Directors were in office for this entire period unless otherwise stated.

Review of Operations

Results

The financial results of the operations of the Fund are disclosed in the condensed statement of profit or loss and other comprehensive income. The net profit for the Fund for the half-year ended 31 December 2017 was \$2,192,200. This compares to a net profit of \$2,166,038 for the half year ended 31 December 2016.

In respect of the half-year ended 31 December 2017, no distributions are payable (2016: \$Nil.)

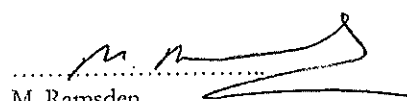
During the half year ended 31 December 2017, the Fund's General Meeting (GM)'s resolutions have been passed to initiate the Fund's application process for listing it on ASX. Results of the GM can be found on the Responsible Entity's website: <http://www.cremornecapital.com/general-meeting/>

Independence Declaration by Auditor

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.306 (3) of the *Corporations Act 2001*.

On behalf of the Directors of the Responsible Entity, Cremorne Capital Limited.


.....
M. Ramsden
Director

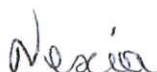
MELBOURNE

Dated: 6 - 3 - 2018

Auditor's Independence Declaration Lowell Resources Fund

As auditor for the audit of Lowell Resources Fund for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of 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.



Nexia Melbourne Audit Pty Ltd



Geoff S. Parker
Director

Melbourne
Dated this

6

day of

March

2018

Independent Auditor's Report To the Members of Lowell Resources Fund

Report on the Audit of the Financial Report

We have reviewed the accompanying half-year financial report of Cremorne Capital Limited – Lowell Resources Fund which comprises the condensed statement of financial position as at 31 December 2017, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the fund are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the fund's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Lowell Resources Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

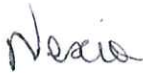
Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 has been provided to the directors of Cremorne Capital Limited.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lowell Resources Fund is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the fund's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.



Nexia Melbourne Audit Pty Ltd



Geoff S. Parker

Director

Melbourne
Dated this

6

day of

MARCH

2018



DIRECTORS' DECLARATION

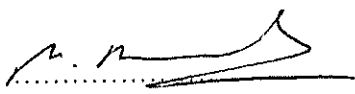
The condensed financial statements and notes thereto of the Lowell Resources Fund for the half year ended 31 December 2017 as set out on pages 6 – 12 have been prepared by Cremorne Capital Limited ('the Responsible Entity') in accordance with the Corporations Act 2001.

The directors of the Responsible Entity declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached condensed financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Fund.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to s.303 (5) of the Corporations Act 2001.

On behalf of the Directors


.....
M. Ramsden
Director

MELBOURNE

Dated:

Lowell Resources Fund

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the Half Year ended 31 December 2017

	Half Year Ended 31 Dec 2017 \$	Half Year Ended 31 Dec 2016 \$
Interest revenue	6,848	11,083
Dividend revenue	8,300	2,038
Other revenue	5,187	1,875
Changes in the fair value of investments through profit or loss	3,164,323	2,773,573
Net Investment Income/(Loss)	3,184,658	2,788,569
Management fee	(222,199)	(207,601)
Custodian's fee	(31,898)	(34,207)
Administration expenses	(467,522)	(80,294)
Auditor's remuneration	(8,268)	(8,318)
Performance fee	(262,571)	(292,111)
Total Expenses	(992,458)	(622,531)
Profit/(Loss) from operating activities	2,192,200	2,166,038
Change in Net Assets Attributed to Unitholders	2,192,200	2,166,038
Net Income/(Loss) Attributed to Unitholders	2,192,200	2,166,038
Other comprehensive income	-	-
Total Comprehensive Income	2,192,200	2,166,038
Distribution to Unitholders	-	-

Notes to the condensed financial statements have been included in the accompanying pages 11 to 13.

CONDENSED STATEMENT OF FINANCIAL POSITION

For the Half Year ended 31 December 2017

	Note	31 Dec 2017 \$	30 Jun 2017 \$
ASSETS			
Cash and cash equivalents	3	961,267	2,269,472
Receivables		39,854	86,463
Financial assets	4	20,963,504	17,852,769
Total Assets		21,964,625	20,208,704
LIABILITIES			
Accounts Payable		799,002	1,243,985
Total Liabilities (excluding net assets attributable to unitholders)		799,002	1,243,985
Net Assets Attributable to Unitholders (Liability)		21,165,623	18,964,719

Notes to the condensed financial statements have been included in the accompanying pages 11 to 13.

In accordance with AASB 132 unitholders' funds are classified as a liability as at balance day and accordingly the Fund has no equity for financial statements purposes.

**CONDENSED STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS**

For the Half Year ended 31 December 2017

	Note	31 Dec 2017 \$	31 Dec 2016 \$
Opening net assets attributable to unitholders		18,964,719	16,424,057
Net (Loss)/Profit attributable to unitholders		2,192,200	2,166,038
Distribution reinvestment from unitholders		512,496	-
Applications for units		-	117,712
Redemption of units		(503,792)	(317,756)
Closing net assets attributable to unitholders	2	21,165,623	18,390,051

Notes to the condensed financial statements have been included in the accompanying pages 11 to 13.

CONDENSED STATEMENT OF CASH FLOWS

For the Half Year ended 31 December 2017

	Half Year Ended 31 Dec 2017 \$ Inflows (Outflows)	Half Year Ended 31 Dec 2016 \$ Inflows (Outflows)
Cash flows from Operating Activities		
Distributions and dividends received	8,300	2,038
Interest received	7,217	11,434
Other revenue received	5,188	1,875
Management fee paid	(222,199)	(207,601)
Payments for expenses	(256,123)	(179,322)
Net Cash used in operating activities	(457,617)	(371,576)
Cash flows from Investing Activities		
Proceeds from sale of securities	3,239,219	2,773,573
Payment for securities	(3,110,735)	(2,172,776)
Net Cash used in/provided by investing activities	128,484	600,797
Cash flows from Financing Activities		
Payments for redemption of units	(503,792)	(317,756)
Payments for distribution	(987,775)	-
Receipts for application or reinvestment of units	512,495	117,713
Net cash used in financing activities	(979,072)	(200,043)
Net increase/(decrease) in cash and cash equivalents held	(1,308,205)	29,718
Cash and cash equivalents at beginning of the half year	2,269,472	1,958,426
Cash and cash equivalents at end of the half year	961,267	1,987,604

Notes to the condensed financial statements have been included in the accompanying pages 11 to 13.

Lowell Resources Fund
Condensed Notes to and forming part of the Interim Financial Statements
for the Half Year Ended 31 December 2017

1 Summary of Significant Accounting Policies

(a) Approval of Financial Statements

The financial statements of Lowell Resources Fund for the first half of December 2017 were authorised for issue in accordance with a resolution of the board of directors on the 7th March 2018.

(b) Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(c) Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Fund's 2017 annual financial report for the financial year ended 30 June 2017, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(d) Adoption of new accounting standard

The Fund has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

There are no new and revised Standards and amendments thereof and Interpretations effective for the current reporting period that are relevant to the Fund.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Fund's accounting policies and has no effect on the amounts reported for the current or prior periods. The new and revised Standards and Interpretations has not had a material impact and not resulted in changes to the Fund's presentation of, or disclosure in, its half-year financial statements.

Lowell Resources Fund

Condensed Notes to and forming part of the Interim Financial Statements
for the Half Year Ended 31 December 2017

2 Net assets attributable to unitholders

<i>(a) Movements in net assets attributable to unitholders</i>	31 Dec 2017	31 Dec 2016
	\$	\$
Units on issue at beginning of the half year	18,964,719	16,424,057
Units issued from applications during the half year	-	117,712
Units issued from reinvestment during the half year	512,496	-
Units redeemed during the half year	(503,792)	(317,756)
Units on issue at half year end	18,973,423	1,6224,013
Transfer of the net undistributed (loss)/income from the statement of profit or loss and other comprehensive income	2,192,200	2,166,038
Closing balance of net assets attributable to unit holders	21,165,623	18,390,051
<i>(b) Movements in number of units</i>		
On issue at beginning of the half year	2,391,278	2,414,172
Units issued from applications during the half year	-	14,917
Units issued from reinvestment during the half year	64,454	-
Units redeemed during the half year	(59,733)	(40,259)
On issue at half year end	2,395,999	2,388,830

3 Cash and cash equivalents

Cash	961,267	1,783,435
Deposits at call	-	204,169
Total cash and cash equivalents	961,267	1,987,604

4 Financial Instruments

Fair value measurement recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for asset or liability that are not based on observable market data (unobservable inputs).

Lowell Resources Fund
Condensed Notes to and forming part of the Interim Financial Statements
for the Half Year Ended 31 December 2017

4 Financial Instruments continued

	2017	2017	2017	2017
	\$	\$	\$	\$
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Shares in listed entities	17,324,362	-	-	17,324,362
Shares in unlisted entities	-	-	3,639,142	3,639,142
Total	17,324,362	-	3,639,142	20,963,504

There were no transfers between Level 1 and 2 in the period.

5 Commitments and contingencies

There are no commitments or contingencies.

6 After balance date events

Between the balance date and the date of approval of this condensed financial report, certain markets to which the Fund has investment exposure moved significantly. (Movements in markets are reflected on a daily basis in the unit price).

Since 31 December 2017 the Fund's application for listing on ASX has been in progress and is pending on the approvals from ASIC and ASX. There has been no other matters or circumstances not otherwise dealt with in the condensed report that have significant affect or may significantly affect the Fund.

Additional Company Information

Cremorne Capital Limited (A.C.N. 006 844 588) a company incorporated and operating in Australia is the Responsible Entity of the Lowell Resources Fund.

Principal Registered Office and Principal Place of Business

8 Chapel Street
Cremorne Vic 3121