
Lowell Resources Fund

ARSN 093 363 896

*Interim Financial Report for the Half Year
Ended 31 December 2009*

Interim Financial Report
For the Half Year Ended 31 December 2009

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DIRECTORS' REPORT

The directors of Lowell Capital Limited ('the Responsible Entity') submit herewith the interim financial report for the Lowell Resources Fund for the half year ended 31 December 2009.

Directors

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

- Mr S.P. Mitchell (Resigned 9 September 2009)
- Mr M.A. Ramsden
- Mr D.B. Worth
- Mr D. Carroll (Appointed 21 September 2009)

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 income statement. The net profit for the Fund for the half-year ended 31 December 2009 was \$2,380,652. This compares to a net loss of \$6,185,475 for the half year ended 31 December 2008. The fund has recovered from the financial crisis which occurred towards the end of 2008.

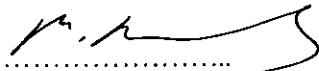
In respect of the half-year ended 31 December 2009, no distributions are paid and payable (2008: Nil.)

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



.....
M. Ramsden
Director

MELBOURNE

Dated: 8-2-2010

Auditors Independence Declaration

AUDITOR'S REVIEW REPORT

DIRECTORS' DECLARATION

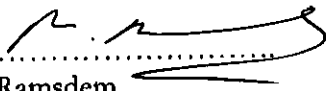
The financial statements and notes thereto of the Lowell Resources Fund for the half year ended 31 December 2009 as set out on pages 6 – 12 have been prepared by Lowell Capital Limited ('the Responsible Entity') in accordance with the Corporations Act 2001.

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 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. Ramsdem
Director

MELBOURNE

Dated: 10 - 2 - 2010

Lowell Resources Fund

STATEMENT OF COMPREHENSIVE INCOME

For the Half Year ended 31 December 2009

	Note	Half Year Ended 31 Dec 2009 \$	Half Year Ended 31 Dec 2008 \$
Interest revenue		48,354	71,670
Dividend revenue		29,230	30,830
Changes in the fair value of investments through profit or loss		2,455,816	(6,150,699)
		2,533,400	(6,048,199)
Performance Incentive Fees		-	-
Management Fee		(109,515)	(91,824)
Custodian's Fee		(30,767)	(33,240)
Administration expenses		(7,066)	(8,278)
Auditor's Remuneration		(5,400)	(3,934)
Net Profit (Loss) Attributable to Unitholders		2,380,652	(6,185,475)
Distribution to unitholders		-	-
Change in Net Assets Attributed to Unitholders		2,380,652	(6,185,475)

The above income statement should be read in accordance with the condensed notes to the interim financial statements, which are included on pages 10 to 12.

Lowell Resources Fund

STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	Note	31 Dec 2009 \$	30 Jun 2009 \$
ASSETS			
Cash and cash equivalents	3	3,521,437	3,172,998
Receivables		6,075	1,843,909
Listed securities		7,748,522	4,467,891
Total Assets		11,276,034	9,484,798
LIABILITIES			
Accounts Payable		35,642	283,491
Total Liabilities (excluding net assets attributable to unitholders)		35,642	283,491
Net assets attributable to unitholders (liability)	2	11,240,392	9,201,307

The above balance sheet should be read in accordance with the condensed notes to the interim financial statements which are included on pages 10 to 12

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.

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO UNITHOLDERS

For the Half Year ended 31 December 2009

	31 Dec 2009	31 Dec 2008
	\$	\$
Opening net assets attributable to unitholders	9,201,307	13,650,436
Net Profit attributable to unitholders	2,380,652	(6,185,475)
Distribution to unitholders	-	-
Applications for units	8,000	-
Redemption of units	(349,567)	(156,307)
Closing net assets attributable to unitholders	11,240,392	7,308,654

The above statement should be read in accordance with the condensed notes to the interim financial statements which are included on pages 10 to 12

STATEMENT OF CASHFLOWS

For the Half Year ended 31 December 2009

	Half Year Ended 31 Dec 2009 \$ Inflows (Outflows)	Half Year Ended 31 Dec 2008 \$ Inflows (Outflows)
Cash flows from Operating Activities		
Distributions and dividends received	29,230	30,830
Interest received	50,165	76,779
Management fee paid	(147,348)	(104,992)
Payments for expenses	(3,843)	(275,037)
Net Cash used in operating activities	(71,796)	(272,420)
Cash flows from Investing Activities		
Proceeds from sale of securities	4,376,316	427,809
Payment for securities	(3,614,514)	(705,964)
Net Cash used in/provided by investing activities	761,802	(278,155)
Cash flows from Financing Activities		
Payments for redemption of units	(349,567)	(176,421)
Receipts for application of units	8,000	-
Net cash used in financing activities	(341,567)	(176,421)
Net increase(decrease) in cash and cash equivalents held	348,439	(726,996)
Cash and cash equivalents at beginning of the half year	3,172,998	2,694,992
Cash and cash equivalents at end of the half year	3,521,437	1,967,996

The above cash flow statement should be read in accordance with the condensed notes to the interim financial statements which are included on pages 10 to 12

Lowell Resources Fund

Condensed Notes to and forming part of the Interim Financial Statements
for the Half Year Ended 31 December 2009

1 Summary of Significant Accounting Policies

(a) Approval of Financial Statements

The financial statements of Lowell Resources Fund for the first half of December 2009 were authorised for issue in accordance with a resolution of the board of directors on the 1st February 2010.

(b) Basis of preparation

This general purpose condensed financial report for the half year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

It is recommended that the half year financial report be read in conjunction with the annual report for the year ended 30 June 2009.

(c) Statement of compliance

The half year financial report complies with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) applicable to interim reporting as issued by the International Accounting Standards Board.

(d) Adoption of new accounting standard

The fund has adopted the following new Australian Accounting Standard issued by the AASB which are mandatory to apply to the current interim period.

Presentation of Financial Statements – AASB 101

- The replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of other comprehensive income. In this regard, such items are no longer reflected as equity movements in the Statement of Changes in equity.
- The adoption of the separate income statement/single statement approach to the presentation of the statement of comprehensive income.
- Other financial statements are renamed in accordance with the standard

Operating Segments – AABS 8

- From 1 January 2009, operating segments are to be identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the responsible entity. For management purposes, the fund is organised into one main operating segment. The financial results from this segment are equivalent to the financial statements of the fund as a whole.

(e) Distributions

In accordance with the Fund's constitution, the Fund fully distributes its distributable income to unit holders by way of cash or reinvestment into the Fund. Distributions to unit holders comprise the taxable income of the Scheme to which the unit holders are presently entitled.

(f) Income tax

Lowell Resources Fund

Condensed Notes to and forming part of the Interim Financial Statements
for the Half Year Ended 31 December 2009

Under current income tax legislation the Fund is not liable to pay income tax as the net income of the Fund is assessable in the hands of the beneficiaries (the unit holders) who are 'presently entitled' to the income of the Fund. There is no income of the Fund to which the unit holders are not presently entitled and additionally, the Fund Constitution requires the distribution of the full amount of the net distributable income of the Fund to the unit holders each period.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Fund, these gains would be included in the taxable income that is assessable in the hands of the unit holders as noted above.

Realised capital losses are not distributed to unit holders but are retained within the Fund to be offset against any realised capital gains. The benefit of any carried forward capital losses are also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unit holders in that period and is distributed to unit holders in accordance with the requirements of the Fund Constitution.

(g) Significant accounting judgements and estimates

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the accounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these are taken from observable markets where possible, but where this is feasible, a degree of judgement is required in establishing fair values.

The judgements include considerations of liquidity and model inputs such as credit risk (both own and counterpart's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

2 Net assets attributable to unitholders

<i>(a) Movements in net assets attributable to unitholders</i>	31 Dec 2009	30 Jun 2009
	\$	\$
Units on issue at beginning of the half year	9,201,307	13,650,436
Units issued during the half year	8,000	-
Units redeemed during the half year	(349,567)	(253,258)
Units on issue at half year end	8,859,740	13,397,178

Lowell Resources Fund

Condensed Notes to and forming part of the Interim Financial Statements
for the Half Year Ended 31 December 2009

Transfer of the net undistributed income from the income statement	2,380,652	(4,195,871)
Closing balance of net assets attributable to unit holders	11,240,392	9,201,307

(b) Movements in number of units

On issue at beginning of the half year	2,910,100	2,993,123
Units issued during the half year	2,491	-
Units redeemed during the half year	(95,902)	(83,023)
On issue at half year end	2,816,689	2,910,100

3 Cash and cash equivalents

Cash	1,993,418	1,611,592
Deposits at call	1,528,019	1,561,406
Total cash and cash equivalents	3,521,437	3,172,998

4 Commitments and contingencies

There are no commitments or contingencies

5 After balance date events

Between the balance date and the date of approval of this 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 2009 there have been no other matters or circumstances not otherwise dealt with in the financial report that have significant affect or may significantly affect the Fund.

Additional Company Information

Lowell Capital Limited (A.C.N. 006 844 558) 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
Richmond Vic 3121