

**INDEPENDENT REVIEW REPORT**

**TO THE MEMBERS OF**

**WAYMOUTH RESOURCES LIMITED**

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**Scope**

We have reviewed the financial report of Waymouth Resources Limited for the half-year ended 31 December 2003 as set out on pages 4 to 12. The disclosing entity's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly, in accordance with Accounting Standard AASB 1029, "Interim Financial Reporting", other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the entity's financial position and performance, as represented by the results of its operations and its cash flows and in order for the disclosing entity to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian auditing standards applicable to review engagements. A review is limited primarily to inquiries of the disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Statement**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Waymouth Resources Limited for the half-year ended 31 December 2003 is not in accordance with:

- (a) the Corporations Act 2001, including:
  - i) giving a true and fair view of the entity's financial position as 31 December 2003 and of its performance for the half-year ended on that date; and
  - ii) complying with Accounting Standard AASB 1029, "Interim Financial Reporting", and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

**PKF**

Chartered Accountants

**D A MAJOR**

Partner

Signed at Adelaide, this 12 March 2004

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

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WAYMOUTH RESOURCES LTD  
ABN 14 104 028 042

DIRECTORS' REPORT

Your directors present their report on the company for the period ended 31 December 2003.

**Directors**

The names of the directors in office at any time during or since the end of the period are:  
Donald C. Stephens (resigned 15 January 2004)  
Simon T. O'loughlin (resigned 15 January 2004)  
Peter E. Cox (resigned 15 January 2004)  
Roger G. Coats (appointed 15 January 2004)  
David A. Collinson (appointed 15 January 2004)  
Robert B. Elliott (appointed 15 January 2004)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

**Operating Results**

The loss of the company for the period after providing for income tax amounted to \$50,387.

**Review of Operations**

A review of the operations of the company during the period and the results of those operations disclosed that during the period, the company changed its principal activity from exploration to investment in Living Cell Technologies Pty Ltd whose principal activity is development and commercialisation of biotechnical products.

The company obtained listing on the Newcastle Stock Exchange on the 2<sup>nd</sup> of October, 2003.

Signed in accordance with a resolution of the Board of Directors:

Director.....  
Roger G. Coats

Director.....  
David A. Collinson

Dated this 9th day of March, 2004

These financial statements should be read in conjunction with the attached Disclaimer.

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

	Notes	December 2003 \$	June 2003 \$
Revenue from ordinary activities	2	4,400	68
Other expenses from ordinary activities		(54,787)	(3,667)
Borrowing costs expense	3	<u>-</u>	<u>(10)</u>
<b>Profit (Loss) from ordinary activities before income tax expense (income tax revenue)</b>		<b>(50,387)</b>	<b>(3,609)</b>
Income tax revenue (income tax expense) relating to ordinary activities		<u>-</u>	<u>-</u>
<b>Profit (Loss) from ordinary activities after related income tax expense (income tax revenue)</b>	3	<b>(50,387)</b>	<b>(3,609)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b><u>(50,387)</u></b>	<b><u>(3,609)</u></b>

**EARNINGS PER SHARE**

Basic earnings per share at 31 December 2003: Loss -.71 cents per share

Diluted earnings per share at 31 December 2003: Loss -.62 cents per share

The accompanying notes form part of these financial statements.

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2003**

	Notes	December 2003 \$	June 2003 \$
<b>CURRENT ASSETS</b>			
Cash assets	4	1,165,564	17,668
Receivables	5	<u>11,866</u>	<u>1,092</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,177,430</u>	<u>18,760</u>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	6	<u>1,133,009</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,133,009</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>2,310,439</u>	<u>18,760</u>
<b>CURRENT LIABILITIES</b>			
Payables	7	<u>4,667</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,667</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>4,667</u>	<u>-</u>
<b>NET ASSETS</b>		<u>2,305,772</u>	<u>18,760</u>
<b>EQUITY</b>			
Contributed equity	8	2,359,768	22,369
Accumulated losses	9	<u>(53,996)</u>	<u>(3,609)</u>
<b>TOTAL EQUITY</b>		<u>2,305,772</u>	<u>18,760</u>

The accompanying notes form part of these financial statements.

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

	Notes	December 2003 \$	June 2003 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(50,120)	(3,667)
Interest received		4,400	68
Borrowing costs		<u>-</u>	<u>(10)</u>
Net cash used in operating activities	10 (b)	<u>(45,720)</u>	<u>(3,609)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for investments		<u>(1,133,009)</u>	<u>-</u>
Net cash used in investing activities		<u>(1,133,009)</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from share issue		2,337,399	22,369
Proceeds from borrowings		<u>(10,774)</u>	<u>(1,092)</u>
Net cash provided by financing activities		<u>2,326,625</u>	<u>21,277</u>
Net increase in cash held		1,147,896	17,668
Cash at beginning of period		<u>17,668</u>	<u>-</u>
Cash at end of period	10 (a)	<u><u>1,165,564</u></u>	<u><u>17,668</u></u>

The accompanying notes form part of these financial statements.

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for the entity Waymouth Resources Ltd as an individual entity. Waymouth Resources Ltd is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income Tax**

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account either as provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(b) Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors' to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

**(c) Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

**(d) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

**(e) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).



**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

	Note	December 2003 \$	June 2003 \$
<b>NOTE 2: REVENUE</b>			
<b>Operating activities</b>			
- interest	2(a)	<u>4,400</u>	<u>68</u>
(a) Interest from:			
- other persons		<u>4,400</u>	<u>68</u>
<b>NOTE 3: PROFIT (LOSS) FROM ORDINARY ACTIVITIES</b>			
Profit (loss) from ordinary activities before income tax expenses (income tax revenue) has been determined after:			
(a) Expenses:			
Borrowing costs:			
- other persons		<u>-</u>	<u>10</u>
<b>NOTE 4: CASH ASSETS</b>			
Cash at bank		21,401	17,668
Deposits at call		<u>1,144,163</u>	<u>-</u>
		<u><b>1,165,564</b></u>	<u><b>17,668</b></u>
<b>NOTE 5: RECEIVABLES</b>			
CURRENT			
Other debtors		<u><b>11,866</b></u>	<u><b>1,092</b></u>
<b>NOTE 6: OTHER FINANCIAL ASSETS</b>			
NON-CURRENT			
Shares in Living Cell Products Pty Ltd (formerly Living Cell Technologies Pty Ltd)			
- at cost		<u><b>1,133,009</b></u>	<u>-</u>
<b>NOTE 7: PAYABLES</b>			
CURRENT			
Unsecured liabilities			
Trade creditors		<u><b>4,667</b></u>	<u>-</u>
<b>NOTE 8: CONTRIBUTED EQUITY</b>			
Costs of raising capital		(90,236)	(7,636)
1 (2003: 1) Fully paid ordinary share issued at 20 cents each		1	1
499,999 (2003: 499,999) Fully paid ordinary shares issued at .000008 cents each		4	4
187,500 (2003: 187,500) Fully paid ordinary shares issued at 16 cents each		30,000	30,000
12,100,000 (2003: -) Fully paid ordinary shares issued at 20 cents each		<u>2,419,999</u>	<u>-</u>
		<u><b>2,359,768</b></u>	<u><b>22,369</b></u>

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

	Note	December 2003 \$	June 2003 \$
<b>NOTE 9: RETAINED PROFITS( ACCUMULATED LOSSES)</b>			
Retained profits/(accumulated losses) at the beginning of the period		(3,609)	-
Net profit (loss) attributable to members of the entity		<u>(50,387)</u>	<u>(3,609)</u>
Accumulated losses at the end of the period		<u><u>(53,996)</u></u>	<u><u>(3,609)</u></u>

**NOTE 10: CASH FLOW INFORMATION**

(a) Reconciliation of cash

Cash at the end of the period as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	21,401	17,668
At call deposits with financial institutions	<u>1,144,163</u>	<u>-</u>
	<u><u>1,165,564</u></u>	<u><u>17,668</u></u>

(b) Reconciliation of cash flow from operations with loss from ordinary activities after income tax

Loss from ordinary activities after income tax	(50,387)	(3,609)
Changes in assets and liabilities		
Increase in payables	<u>4,667</u>	<u>-</u>
Cash flows from operations	<u><u>(45,720)</u></u>	<u><u>(3,609)</u></u>

**NOTE 11: OPTIONS ISSUED SUBSEQUENT TO 31 DECEMBER 2003**

The following options were granted over unissued shares since the end of the financial year by the company are as follows:

**3,612,500 A CLASS OPTIONS granted at an exercise price of \$.21 to be exercised on or before 30 June 2010 are held by:**

Cheval Holdings Pty Ltd - 275,825

D Collinson (Director) - 637,500

Daintree Pty Ltd - 135,065

C Dwyer - 85,000

R Elliot (Director)- 637,500

C & K Fennell - 123,845

C Fennell - 123,845

O Garkavenko - 42,500

M Geaney - 42,500

D Hadfield - 42,500

J Lane - 42,500

Lutcom Investments - 191,420

M Muzina - 42,500

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

**NOTE 11: OPTIONS ISSUED SUBSEQUENT TO 31 DECEMBER 2003 continued**

Z Muzina - 42,500

L Orellana - 42,500

V Parslow - 42,500

A Pierce - 85,000

C Piltcher - 42,500

S Russell - 42,500

K Schuler - 42,500

S Skinner - 42,500

J Young - 42,500

J Graham - 765,000

**8,723,650 B CLASS OPTIONS granted at an exercise price of \$.21 to be exercised on or before 30 June 2010 are held by:**

Bach Superannuation Fund - 255,000

C & C Bagot - 1,487,500

R Coats (Director) - 1,498,720

D Collinson (Director) - 1,485,800

M Dalvean - 19,040

Y Darlington - 19,040

R Elliott - 1,485,800

C Fennell - 1,232,500

Pacific Communications & Investments Pty Ltd - 730,250

Walbert Investments Pty Ltd - 510,000

**1,000,000 OPTIONS granted at an exercise price of \$.22 to be exercised on or before 30 June 2008 are held by Taylor Collison Ltd.**

**NOTE 12: CONTINGENT LIABILITIES/ASSETS**

As at the 31 December 2003, there were no contingent liabilities or contingent assets in existence.

**WAYMOUTH RESOURCES LTD**  
**ABN 14 104 028 042**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

**NOTE 13: COMPANY DETAILS**

The registered office of the company is:

Waymouth Resources Ltd  
160 Greenhill Road  
Parkside, SA 5063

The company changed its name to Living Cell Technologies Ltd on the 23rd of January, 2004.

**NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE**

During the period ended 31 December 2003, an agreement was entered into to acquire the balance of equity in Living Cell Technologies Pty Ltd on the basis of allotment of 17:10 for each issued shares/options in Living Cell Technologies Pty Ltd.

The transaction was approved by shareholders at an Extraordinary General Meeting on the 12<sup>th</sup> of January, 2004 and settlement was effected on 15<sup>th</sup> of January, 2004 resulting in the 100% acquisition of Living Cell Technologies Pty Ltd.

WAYMOUTH RESOURCES LTD  
ABN 14 104 028 042

**DIRECTORS' DECLARATION**

The directors of the company declare that:

- (a) The financial statements and notes, as set out on pages 3 to 10 comply with Accounting Standards and give a true and fair view of the financial position as at 31 December 2003 and of the performance for the period ended on that date of the company.
- (b) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

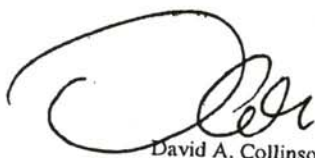
This declaration is made in accordance with a resolution of the directors.

Director



Roger G. Coats

Director



David A. Collinson

Dated this 9th day of March 2004

These financial statements should be read in conjunction with the attached Disclaimer.

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# APPENDIX 3

## Preliminary Announcement

Half yearly report

Name of *issuer*

Waymouth Resources Ltd (to be named Living Cell Technologies Ltd from 12th January, 2004)

ACN or ARBN

14 104 028 042

Half yearly  
(tick)

√

Preliminary  
final (tick)

Half year/financial year ended  
(‘Current period’)

31 December 2003

### For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

For this table of results, the company's results since incorporation on 17<sup>th</sup> March have been converted to 6 month figures and compared to the 6 month results to 31 December 2003.

					\$A
Sales (or equivalent) operating revenue (item 1.1)	up/down	%	N/A	to	N/A
Operating profit (loss) before abnormal items and tax (item 1.4)	up	1400%		to	(50,387)
Abnormal items before tax (item 1.5)			gain (loss) of	to	
Operating profit (loss) after tax but before outside equity interests (item 1.8)	up	1400%		to	(50,387)
Extraordinary items after tax attributable to members (item 1.13)			gain (loss) of	to	
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up	1400%		to	(50,387)
Exploration and evaluation expenditure incurred (item 5.2)	up/down	%		to	
Exploration and evaluation expenditure written off (item 5.3)	up/down	%		to	
Dividends	Franking rate applicable				
Current period	¢	N/A	¢	N/A	
Previous corresponding period	¢	¢	¢	¢	
Record date for determining entitlements to the dividend, (in the case of a trust distribution ) (see item 15.2)					
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					

**Consolidated profit and loss account***(The figures are not equity accounted)*

	Current period \$A	Previous corresponding period \$A
1.1 Sales (or equivalent operating) revenue		
1.2 Other revenue	4,400	
1.3 <b>Total revenue</b>	4,400	
1.4 <b>Operating profit (loss) before abnormal items and tax</b>	(50,387)	
1.5 Abnormal items before tax (detail in item 2.1)		
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	(50,387)	
1.7 Less tax		
1.8 Operating profit (loss) after tax but before outside equity interests	(50,387)	
1.9 Less outside equity interests		
1.10 <b>Operating profit (loss) after tax attributable to members</b>	(50,387)	
1.11 Extraordinary items after tax (detail in item 2.3)		
1.12 Less outside equity interests		
1.13 Extraordinary items after tax attributable to members		
1.14 <b>Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)</b>	(50,387)	
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .112)		
1.16 <b>Operating profit (loss and extraordinary items after tax attributable to members (items 1.10 +1.13)</b>	(50,387)	
1.17 Retained profits (accumulated losses) at beginning of financial period	(3,609)	
1.18 Aggregate of amounts transferred from reserves		
1.19 Total available for appropriation (carried forward)	(53,996)	
1.20 Total available for appropriation (brought forward)	(53,996)	
<b>Consolidated profit and loss account continued</b>		
1.21 Dividends provided for or paid		
1.22 Aggregate or amounts transferred to reserves		



1.23	<b>Retained profits (accumulated losses) at tend of financial period</b>	(53,996)	
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#### Abnormal and extraordinary items

		Consolidated - current period		
		Before tax \$A	Related tax \$A	After tax \$A
2.1	Abnormal items			
2.2	<b>Total abnormal items</b>			
2.3	Extraordinary items			
2.4	<b>Total extraordinary items</b>			

#### Comparison of half year profits

*(Preliminary final statement only)*

		Current year - \$A	Previous year - \$A
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	(53,996)	
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year		

**Consolidated balance sheet**  
(See note 5)

<b>Current assets</b>		At end of current period \$A	As shown in last annual report \$A	As in last half yearly statement \$A
4.1	Cash	1,165,564	17,668	
4.2	Receivable	11,866	1,092	
4.3	Investments			
4.4	Inventories			
4.5	Other (provide details if material)			
4.6	<b>Total current assets</b>	1,177,430	18,760	
<b>Non-current assets</b>				
4.7	Receivables			
4.8	Investments	1,133,009		
4.9	Inventories			
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)			
4.11	Development properties (mining entities)			
4.12	Other property, plant and equipment (net)			
4.13	Intangibles (net)			
4.14	Other (provide details if material)			
4.15	<b>Total non-current assets</b>	1,133,009		
4.16	<b>Total assets</b>	2,310,439	18,760	
<b>Current liabilities</b>				
4.17	Accounts payable	4,667		
4.18	Borrowings			
4.19	Provisions			
4.20	Other (provide details if material)			
4.21	<b>Total current liabilities</b>	4,667		
<b>Non-current liabilities</b>				
4.22	Accounts payable			
4.23	Borrowings			
4.24	Provisions			
4.25	Other (provide details if material)			
4.26	<b>Total non-current liabilities</b>			
4.27	<b>Total liabilities</b>	4,667		
4.28	<b>Net assets</b>	2,305,772	18,760	

**Consolidated balance sheet continued**

	<b>Equity</b>			
4.29	Capital	2,359,768	30,005	
4.30	Reserves			
4.31	Retained profits (accumulated losses)	(53,996)	(11,245)	
4.32	Equity attributable to members of the parent entity			
4.33	Outside equity interests in controlled entities			
4.34	<b>Total equity</b>	<b>2,305,772</b>	<b>18,760</b>	
4.35	Preference capital and related premium included as part of 4.31			

**Exploration and evaluation expenditure capitalised**

*To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit*

		Current period \$A	Previous corresponding period \$A
5.1	Opening balance		
5.2	Expenditure incurred during current period		
5.3	Expenditure written off during current period		
5.4	Acquisitions, disposals, revaluation increments, etc.		
5.5	Expenditure transferred to Development Properties		
5.6	<b>Closing balance as shown in the consolidated balance sheet (item 4.9)</b>		

**Development properties**

*(To be completed only by issuers with mining interests if amounts are material)*

		Current period \$A	Previous corresponding period \$A
6.1	Opening balance		
6.2	Expenditure incurred during current period		
6.3	Expenditure transferred from exploration and evaluation		
6.4	Expenditure written off during current period		
6.5	Acquisitions, disposals, revaluation increments, etc.		
6.6	Expenditure transferred to mine properties		
6.7	<b>Closing balance as shown in the consolidated balance sheet (item 4.10)</b>		

# Consolidated statement of cash flows

(See note 6)

		Current period \$A	Previous corresponding period \$A
	<b>Cash flows related to operating activities</b>		
7.1	Receipts from customers		
7.2	Payments to suppliers and employees	(50,120)	
7.3	Dividends received		
7.4	Interest and other items of similar nature received	4,400	
7.5	Interest and other costs of finance paid		
7.6	Income taxes paid		
7.7	Other (provide details if material)		
7.8	<b>Net operating cash flows</b>	(45,720)	
	<b>Cash flows related to investing activities</b>		
7.9	Payments for purchases of property, plant and equipment		
7.10	Proceeds from sale of property, plant and equipment		
7.11	Payment for purchases of equity investments	(1,133,009)	
7.12	Proceeds from sale of equity investments		
7.13	Loans to other entities		
7.14	Loans repaid by other entities		
7.15	Other (provide details if material)		
7.16	<b>Net investing cash flows</b>	(1,133,009)	
	<b>Cash flows related to financing activities</b>		
7.17	Proceeds from issues of securities (shares, options, etc.)	2,337,399	
7.18	Proceeds from borrowings	(10,774)	
7.19	Repayment of borrowings		
7.20	Dividends paid		
7.21	Other (provide details if material)		
7.22	<b>Net financing cash flows</b>	2,326,625	
	<b>Net increase (decrease) in cash held</b>	1,147,896	
7.23	Cash at beginning of period (see Reconciliations of cash)	17,668	
7.24	Exchange rate adjustments to item 7.23		
7.25	<b>Cash at end of period</b> (see Reconciliation of cash)	1,165,564	

**Non-cash financing and investing activities**

*Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.*

--

**Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A	Previous corresponding period \$A
8.1 Cash on hand and at bank	21,401	
8.2 Deposits at call	1,144,163	
8.3 Bank overdraft		
8.4 Other (provide details)		
8.5 Total cash at end of period (item 7.25)	1,165,564	

**Ratios**

	Current period	Previous corresponding period
<b>Profit before abnormals and tax/sales</b>		
9.1 Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	N/A	
<b>Profit after tax/equity interests</b>		
9.2 Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.31)	-2.2%	

**Earnings per security (EPS)**

10.1 Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
(a) Basic EPS	(Loss .71 c/share)	
(b) Diluted EPS (if materially different from (a))	(Loss .62 c/share)	

**NTA backing**  
(see note 7)

	Current period	Previous corresponding period
11.1 Net tangible asset backing per ordinary security	18.03 cents per share	

**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$	Previous corresponding period \$A
12.1 Interest revenue included in determining items 1.4	4,400	
12.2 Interest revenue included in item 12.1 but not yet received (if material)		
12.3 Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)		
12.4 Interest costs excluded from item 12.3 and capitalised in asset values (if material)		
12.5 Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)		
12.6 Depreciation (excluding amortisation of intangibles)		
12.7 Amortisation of intangibles		

**Control gained over entities having material effect**  
(See note 8)

13.1 Name of <i>issuer</i> (or <i>group</i> )	
13.2 Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) since the date in the current period on which control was acquired	\$
13.3 Date from which such profit has been calculated	
13.4 Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i> ) for the whole of the previous corresponding period	\$

**Loss of control of entities having material effect***(See note 8)*

14.1	Name of entity (or <i>group</i> )	
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i> ) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or <i>group</i> ) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

**Reports for industry and geographical segments**

*Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.*

**The company currently operates in one industry segment – Investment  
and one geographical segment - Australia**

**Segments**

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue (consolidated total equal to item 1.3)

Segment result (including abnormal items where relevant)

Unallocated expenses

Consolidated operating profit after tax (before equity accounting) (equal to item 1.8)

Segment assets	)	<i>Comparative data for segment assets should be as at the end of the previous corresponding period</i>
Unallocated assets	)	
Total assets (equal to item 4.15)	)	

**Dividends**

15.1	Date the dividend is payable	
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	
18.3	Amount per <i>security</i>	

			Franking rate applicable		
			39%	36%	33%
15.4	(Preliminary final statement only) <b>Final dividend:</b> Current year	¢	N/A	¢	N/A
15.5	Previous year	¢	¢	¢	¢
15.6	(Half yearly and preliminary final statements) <b>Interim dividend:</b> Current year	¢	N/A	¢	N/A
15.7	Previous year	¢	¢	¢	¢

**Total annual dividend (distribution) per security**  
(Preliminary final statement only)

	Current year	Previous year
15.8 Ordinary securities	¢	¢
15.9 Preference securities	¢	¢

**Total dividend (distribution)**

	Current period \$A	Previous corresponding period - \$A
15.10 Ordinary securities	\$	\$
15.11 Preference securities	\$	\$
15.12 <b>Total</b>	\$	\$

The *dividend or distribution plans* shown below are in operation.

The last date(s) for receipt of election notices to  
the *dividend or distribution plans*

Any other disclosures in relation to dividends (distributions)



## Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period A\$	Previous corresponding period A\$
16.1	Statutory carrying value of investments in associated entities (SCV)		
16.2	Share of associated entities' retained profits and reserves not included in SCV:		
	Retained profits		
	Reserves		
16.3	<b>Equity carrying value of investments</b>		

## Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	<b>Equity accounted associated entities</b>	Current period	Previous corresponding period	Current period	Previous corresponding period
				<i>Equity accounted</i>	
17.2	<b>Other material interests</b>			<i>Not equity accounted (ie part of item 1.14)</i>	
	Living Cell Technologies Pty Ltd	13.9%	N/A		
	(now known as Living Cell Technologies Products Pty Ltd				

**Issued and listed securities**

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	<b>Preference securities</b> (description)				
18.2	Issued during current period				
18.3	<b>Ordinary securities</b>	1	1	20 cents	20 cents
		499,999	499,999	.000008 cents	.000008 cents
		187,500	187,500	16 cents	16 cents
18.4	Issued during current period	12,100,000	12,100,000	20 cents	20 cents
18.5	<b>Convertible debt securities</b> (description and conversion factor)				
18.6	issued during current period				
18.7	<b>Options</b> (description and conversion factor)			Exercise price	Expiry date
18.8	Issued during current period	1,000,000	1,000,000	22 cents	30 June 2008
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	<b>Debentures</b> (totals only)				
18.12	<b>Unsecured Notes</b> (totals only)				

**Comments by directors**

*Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.*

**Basis of accounts preparation**

*If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]*

Material factors affecting the revenues and expenses of the *issuer* for the current period

Not applicable

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

The company has acquired a 100% controlling interest in the LCT Products Pty Ltd Group whose principal activity is the development and commercialisation of biotechnical products.

The company changed its name from Waymouth Resources Ltd to Living Cell Technologies Ltd on the 12<sup>th</sup> of January, 2004.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

NIL

Changes in accounting policies since the last annual report are disclosed as follows.

*(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)*

Not applicable

**Annual meeting***(Preliminary final statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available


**Compliance statement**

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Law* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

Not applicable

2. This statement, and the financial statements under the *Corporations Law* (if separate), use the same accounting policies.
3. This statement does give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

The financial statements have been audited.

☒

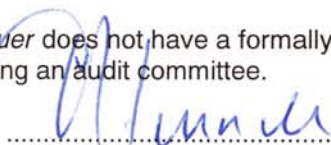
The financial statements have been subject to review by a registered auditor (or overseas equivalent).

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

5. The accounts have been subject to review and the audit report is attached.
6. The *issuer* does not have a formally constituted audit committee but is in the process of forming an audit committee.

Sign here:



Date:

12<sup>th</sup> March 2004

(Company secretary)

Print name: Christopher R Fennell

**Notes**

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the

*issuer* must attach a note providing additional information and explanations to give a true and fair view.

3. **Consolidated profit and loss account**

- Item 1.1            The definition of “operating revenue” and an explanation of “sales revenue” (or its equivalent) and “other revenue” are set out in *AASB 1004: Disclosure of Operating Revenue*.
- Item 1.2            “other revenue” includes abnormal items, but excludes extraordinary revenue items.
- Item 1.4            “operating profit (loss) before abnormal items and tax” is calculated before dealing with outside equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.
- Item 1.7            This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg. fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

5. **Consolidated balance sheet**

**Format** The format of the consolidate balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029*. Banking institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

**Basis of revaluation** If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 19-21 of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030*.

6. **Statement of cash flows** For definitions of “cash” and other terms used in this statement see *AASB 1026: Statement of Cash Flows*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. Mining exploration *issuers* may use the form of cashflow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's*

consolidated operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under an ASIC Class Order dated 17 August 1994, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are normally the unadjusted figures from the previous corresponding period. However, if the previously reported figures are adjusted to achieve greater comparability, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the list rules for an *issuer* to complete this statement does not prevent the *issuer* issuing reports more frequently. Additional material lodged with the ASIC under the *Corporations Law* must also be given to the Exchange. For example, a *directors'* report and statement, if lodged with the ASIC, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Borrowing corporations** As at 1/7/96, this statement may be able to be used by an *issuer* required to comply with the *Corporations Law* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards. However, borrowing corporations must comply with Schedule 5 of the Corporations Regulations. See regulation 3.6.02(4).