Living Cell Technologies Limited

CAN: 104 028 042
ASX: LCT
OTCQX: LVCLY

ASX ANNOUNCEMENT

Half yearly report ended 31 December 2015

26 February 2016 – Sydney, Australia & Auckland, New Zealand – Living Cell Technologies Limited today announced the half yearly report for the six months ended 31 December 2015. The report is attached.

The consolidated operating loss after income tax for the period 1 July to 31 December 2015 was $1.4 million (2014 loss $2.4 m). The main reason for the reduced loss is that the joint venture Diatranz Otsuka Limited (DOL) has now been equity accounted to zero so no further losses are reported in the statement of profit or loss. The share of joint venture loss for the 6 months was $0.07m compared to $1.3m in the previous period. During the period the company secured the supply and manufacture of NTCELL® and prepared for the planned Phase IIb clinical trial of NTCELL for the treatment of Parkinson's disease following the successful outcome of the Phase I/IIa clinical trial published in June.

Services fees received from DOL reduced substantially as each entity became more independent, $0.03m (2014: $0.5m) whilst cost of services was $0.025m (2014: $0.5m). Grants from Callaghan Innovation were $0.2m (2014: $0.1m)

As at 31 December 2015 net assets were $3.7m compared to $10.5m at 31 December 2014 and $5.1m as at 30 June 2015. Cash and cash equivalents at 31 December 2015 decreased to $3.6m (30 June 2015 $5.1m). This decrease is primarily due to normal operations and payment of two instalments of the amount due to the joint venture for the purchase of pigs and plant and equipment and a term deposit to secure a lease bond.

– Ends –

For further information: www.lctglobal.com

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About Living Cell Technologies

Living Cell Technologies Limited (LCT) is an Australasian biotechnology company improving the wellbeing of people with serious diseases worldwide by discovering, developing and commercialising regenerative treatments which restore function using naturally occurring cells.

LCT's lead product NTCELL® is an alginate coated capsule containing clusters of neonatal porcine choroid plexus cells. After transplantation NTCELL functions as a biological factory producing factors to promote new central nervous system growth and repair disease induced nerve degeneration.

The Phase I/IIa NTCELL clinical trial in New Zealand for the treatment of Parkinson's disease met the primary endpoint of safety and showed encouraging clinical efficacy improvements. Results from this trial will be used to design a larger Phase IIb trial to evaluate its potential as a disease-modifying treatment for patients with Parkinson's disease. It has the potential to be used in a number of other central nervous system indications such as Huntington's, Alzheimer's and motor neurone diseases.

LCT's proprietary encapsulation technology, IMMUPEL™, allows cell therapies to be used without the need for co-treatment with drugs that suppress the immune system.

LCT holds a 50% interest in Diatranz Otsuka Limited which is developing a cell therapy for type 1 diabetes.

LCT is listed on the Australian (ASX: LCT) and US (OTCQX: LVCLY) stock exchanges. The company is incorporated in Australia, with its operations based in New Zealand.

For more information visit www.lctglobal.com or follow @lctglobal on Twitter

Forward-looking statements

This document may contain certain forward-looking statements, relating to LCT's business, which can be identified by the use of forward-looking terminology such as "promising," "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialisation of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. LCT is providing this information and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

Appendix 4D

Half yearly report

Name of Entity	Living Cell Technologies Limited
ACN	14 104 028 042
Financial Period Ended	31 DECEMBER 2015
Previous Corresponding Reporting Period	31 DECEMBER 2014

Results for Announcement to the Market

	$	**Percentage increase /(decrease) over previous corresponding period**
Revenue from ordinary activities	365,545	(53)%
Profit / (loss) from ordinary activities after tax attributable to members	(1,425,524)	(40%)
Net profit / (loss) for the period attributable to members	(1,425,524)	(40%)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividends (if any)	N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Refer Attachment 1.

The half-yearly report is to be read in conjunction with the most recent annual financial report.

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	0.87 cents per share	1.21 cents per share

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	n/a
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	n/a
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

Details of Associates and Joint Venture Entities

Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	**Previous Period**	**Current Period**	**Previous Period**
Diatranz Otsuka Limited	50%	50%	$(67,355)	$(1,335,439)
Aggregate Share of Net Profits			$(67,355)	$(1,335,439)

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

Not Applicable

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Not Applicable

Attachments Forming Part of Appendix 4D

Attachment #	**Details**
1	ASX Announcement
2	Consolidated Interim Financial Statements for the 6 months to 31 December 2015

Signed By (Company Secretary)	Original signed
Print Name	M Licciardo
Date	26 February 2016



Living Cell Technologies Limited

Consolidated Financial Report

31 December 2015

Living Cell Technologies Limited

CONTENTS

	Page
Consolidated Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report	15

Living Cell Technologies Limited

Directors' Report

31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity consisting of Living Cell Technologies Limited (LCT) and its controlled entities for the financial half year ended 31 December 2015.

1. General information

(a) Directors

The names of the directors in office at any time during, or since the end of the half year are:

Names
Roy Austin (Chairman)
Robert Elliott
Laurie Hunter
Bernard Tuch
Robert Willcocks

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

Company Secretary

The following person held the position of company secretary at the end of the financial half year ended 31 December 2015:

Nick Geddes, FCA, FCIS

From 1 January 2016 Mr Mark Licciardo was appointed company secretary.

2. Business Review

(a) Operating results

The consolidated loss for the half year amounted to $(1,425,524) (2014 loss: $(2,372,832)).

Services provided and cost of services provided have reduced as a result of the restructuring of the 50% joint venture company Diatranz Otsuka Limited (DOL). Grant income has increased following the award of the Callaghan Innovation research and development growth grant. Research and development has increased as the company has secured the supply of NTCELL® for the planned Phase IIb clinical trial. The share of joint venture loss has decreased as the investment has been equity accounted to zero.

(b) Review of operations

Living Cell Technologies' mission is to improve the wellbeing of people with serious neurodegenerative diseases worldwide by discovering, developing and commercialising regenerative treatments which use naturally occurring cells to restore function.

During the period exciting progress was made in the development of NTCELL for Parkinson's disease.

2. Business Review (continued)

(b) Review of operations continued

All patients in the Phase I/IIa clinical trial continued to do well with no product related safety concerns. A Phase IIb trial was authorised by the Minister of Health.

The company moved to secure supply of NTCELL for the Phase IIb clinical trial and if successful, to treat patients under provisional consent. This involved purchasing plant and equipment, designated pathogen-free pigs and inventory from 50% owned joint venture company Diatranz Otsuka Limited (DOL) and leasing pig and manufacturing facilities. Additional staff have been recruited and processes documented so that the company has the necessary licences to manufacture NTCELL. These functions were previously performed under supply and service agreements by DOL. DOL has licensed its other 50% shareholder, Otsuka Pharmaceutical Factory, Inc. (OPF) to use DIABECELL in USA and Japan. OPF is further improving the product in USA and DOL retains the right to use it in the rest of the world so is no longer carrying out R&D in New Zealand.

3. Financial Review

(a) Financial position

The net assets of the consolidated group have decreased by $1,449,803 from $5,126,863 at 30 June 2015 to $3,677,060 as at 31 December 2015. The decrease was mainly caused by continuing operations and taking on additional staff to secure the supply of NTCELL.

(b) Cash from operations and financing

Net cash outflow from operating activities remained steady; $1,571,328 in the previous period to $1,588,213.

(c) Liquidity and funding

As at 31 December 2015 the consolidated group had $3,604,500 cash in the bank, compared to $5,144,027 as at 30 June 2015 and $6,972,225 at 31 December 2014. On 17 February 2016 the company completed a private placement which raised $2.8m and increased the cash balance to $5.9m at February 2016. This balance is projected to allow the current level of operations to continue for approximately 12 months. A share purchase plan was also announced and this will generate further funds. The directors also acknowledge that the expenditure in relation to operating activities is discretionary. Operating cash outflow is being managed by the directors to the extent of funding available.

The directors have prepared the report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Living Cell Technologies Limited

Directors' Report

31 December 2015

4. Other Items

(a) Significant events

(i) 18 August 2015 Plan to resume control of NTCELL manufacture
Contracts being finalised to resume control of NTCELL manufacture and pig supply from joint venture.

(ii) 28 August 2015 Award of Callaghan Innovation R&D Growth Grant
A Callaghan Innovation R&D Growth Grant to reimburse 20% of eligible R&D expenditure was approved.

(iii) 27 October 2015 Parkinson's study patients' 42 week results
All four patients 42 week post-implant data showed a statistically and clinically significant improvement in their neurological scores from their pre-implant baseline. The improvement is equivalent to approximately 5 years of Parkinson's disease remission.

(iv) 12 November 2015 Phase IIb Parkinson's study authorised
The Minister of Health authorised the application to conduct a Phase IIb study of NTCELL in Parkinson's disease.

(v) 2 December 2015 Supply and manufacture of NTCELL secured
Contracts to secure the supply and manufacture of NTCELL were completed. Contracts included the purchase of plant, designated pathogen-free pigs and inventory. These facilities will provide sufficient capacity to manufacture NTCELL for the Phase IIb clinical trial and to treat and charge patients under provisional consent.

(vi) 3 February 2016 Ethics approval for Phase IIb Parkinson's trial received
The Northern A Health and Disability Ethics Committee approved the Phase IIb clinical trial of NTCELL for Parkinson's disease.

(vi) 17 February 2016 $2.8m private placement completed and SPP announced
54,607,546 shares were privately placed to NZ residents raising $2,764,621 and a share purchase plan was announced enabling existing shareholders to buy up to $15,000 worth of new shares.

Living Cell Technologies Limited

Directors' Report

31 December 2015

4. Other Items (continued)

(b) Auditors Independence Declaration

The lead auditor's independence declaration as required under section 307c of the Corporations Act 2001 for the half year ended 31 December 2015 has been received and can be found on page 5 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors, and is signed for and on behalf of the directors;

Dated at Auckland on the 26th day of February 2016

Director: .....

Roy Austin (Chairman)

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Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY CRAIG MAXWELL TO THE DIRECTORS OF LIVING CELL TECHNOLOGIES LIMITED

As lead auditor for the review of Living Cell Technologies Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Living Cell Technologies Limited and the entities it controlled during the period.



Craig Maxwell
Partner

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

Living Cell Technologies Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year to 31 December 2015

	Note	31 Dec 2015 $	31 Dec 2014 $
Revenue			
Services provided		**30,373**	535,425
Grant income		**245,244**	149,112
Interest		**84,068**	87,544
Other income		**5,860**	-
Total revenue and other income		**365,545**	772,081
Cost of services provided		**(24,930)**	(498,555)
Gross profit		**340,615**	273,526
Expenses			
Research and development		**(886,091)**	(647,859)
General and administration		**(995,625)**	(902,111)
Finance costs		**-**	-
Total expenses		**(1,881,716)**	(1,549,970)
Operating loss		**(1,541,101)**	(1,276,444)
Foreign exchange gain		**182,932**	239,051
Share of loss of joint venture	6	**(67,355)**	(1,335,439)
Loss before income tax		**(1,425,524)**	(2,372,832)
Income tax		**-**	-
Loss after income tax from continuing operations		**(1,425,524)**	(2,372,832)
Other comprehensive income			
Exchange differences on translating foreign operations, net of tax		**(30,050)**	375,608
Other comprehensive income		**(30,050)**	375,608
Total comprehensive income		**(1,455,574)**	(1,997,224)
Earnings per share:			
From continuing operations:			
Basic earnings/(loss) per share (cents)	2	**(0.34)**	(0.56)
Diluted earnings/(loss) per share (cents)		**(0.34)**	(0.56)

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2015 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	31 Dec 2015 $	30 Jun 2015 $
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents		**3,604,500**	5,144,027
Trade and other receivables	5	**323,207**	210,780
Inventories		**72,316**	-
TOTAL CURRENT ASSETS		**4,000,023**	5,354,807
NON-CURRENT ASSETS			
Property, plant & equipment		**434,755**	42,353
Biological assets		**97,772**	-
Term deposit to secure lease bond		**43,245**	-
Investment in joint venture	6	**-**	67,355
TOTAL NON-CURRENT ASSETS		**575,772**	109,708
TOTAL ASSETS		**4,575,795**	5,464,515
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**238,852**	281,700
Amount due to related party	4	**554,969**	-
Short term provisions		**104,914**	55,952
TOTAL CURRENT LIABILITIES		**898,735**	337,652
NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		**898,735**	337,652
NET ASSETS		**3,677,060**	5,126,863
EQUITY			
Share capital		**64,751,709**	64,751,709
Reserves		**3,969,196**	3,993,475
Accumulated losses		**(65,043,845)**	(63,618,321)
TOTAL EQUITY		**3,677,060**	5,126,863

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2015 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Changes in Equity

For the half year to 31 December 2015

31 December 2015

	Note	Ordinary Shares	Ordinary Shares $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 July 2015		**423,999,738**	**64,751,709**	**(63,618,321)**	**3,822,861**	**170,614**	**5,126,863**
Loss attributable to members on the entity		**-**	**-**	**(1,425,524)**	**-**	**-**	**(1,425,524)**
Total other comprehensive income		**-**	**-**	**-**	**(30,050)**	**-**	**(30,050)**
Total comprehensive income		**-**	**-**	**(1,425,524)**	**(30,050)**	**-**	**(1,455,574)**
Transactions with owners in their capacity as owners							
Share-based remuneration		**-**	**-**	**-**	**-**	**5,771**	**5,771**
Balance at 31 December 2015		**423,999,738**	**64,751,709**	**(65,043,845)**	**3,792,811**	**176,385**	**3,677,060**

31 December 2014

	Note	Ordinary Shares	Ordinary Shares $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 July 2014		356,995,773	60,685,600	(56,574,919)	4,191,808	129,088	8,431,577
Profit attributable to members of the entity		-	-	(2,372,832)	-	-	(2,372,832)
Total other comprehensive income		-	-	-	375,608	-	375,608
Total comprehensive income		-	-	(2,372,832)	375,608	-	(1,997,224)
Transactions with owners in their capacity as owners							
Shares issued during the period		66,987,731	4,086,915	-	-	-	4,086,915
Cost of capital raising		-	(19,192)	-	-	-	(19,192)
Share-based remuneration		-	-	-	-	27,403	27,403
Balance at 31 December 2014		423,983,504	64,753,323	(58,947,751)	4,567,416	156,491	10,529,479

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2015 Annual Report.

Living Cell Technologies Limited

Consolidated Statement of Cash Flows

For the half year to 31 December 2015

	Note	31 December 2015 $	31 December 2014 $
Cash from operating activities:			
Receipts from customers		**23,401**	733,815
Payments to suppliers and employees		**(1,786,116)**	(2,516,275)
Grants received		**80,869**	146,263
Interest received		**87,773**	64,869
Distribution received		**5,860**	-
Net cash used in operating activities		**(1,588,213)**	(1,571,328)
Cash flows from investing activities:			
Payment for plant and equipment		**(96,616)**	-
Payment for bond security		**(43,245)**	-
Proceeds from disposal of shares in subsidiaries and investments		**10**	-
Net cash used by investing activities		**(139,851)**	-
Cash flows from financing activities:			
Proceeds from issue of shares		**-**	4,086,915
Payment of share issue transaction costs		**-**	(19,192)
Net cash provided by financing activities		**-**	4,067,723
Net decrease in cash and cash equivalents		**(1,728,064)**	2,496,395
Cash and cash equivalents at beginning of period		**5,144,027**	4,554,399
Exchange rate changes on cash and cash equivalents		**188,537**	(78,569)
Cash and cash equivalents at the end of the period		**3,604,500**	6,972,225

The above Statement should be read in conjunction with the accompanying notes and the 30 June 2015 Annual Report.

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2015

1 Statement of significant accounting policies

(a) Basis of preparation

This general purpose financial report for the interim half-year ending 31 December 2015 has been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards AASB 134 Interim Financial Reporting.

The financial report covers the consolidated entity of Living Cell Technologies Limited and its controlled entities. The financial report has been presented in Australian dollars, the group's presentation currency. The report consists of the financial statements, notes to the financial statements and the directors' declaration.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report made by Living Cell Technologies Limited for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies have been followed as those applied in the financial report for the year ended 30 June 2015.

Biological assets

The Auckland Island pig herd has been recorded at cost and not depreciated, as fair value cannot be reliably measured, given the highly specialised and unique characteristics of the pig herd.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Going concern

As at 31 December 2015 the consolidated group had $3,604,500 cash in the bank, compared to $5,144,027 as at 30 June 2015 and $6,972,225 at 31 December 2014. On 17 February 2016 the company completed a private placement which raised $2.8m and increased the cash balance to $5.9m at that date. This balance is projected to allow the current level of operations to continue for approximately 12 months if no further funds are raised. A share purchase plan was also announced and this will generate further funds. The directors also acknowledge that the expenditure in relation to operating activities is discretionary. Operating cash outflow is being managed by the directors to the extent of funding available.

The directors have prepared the report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

2 Earnings per share

The following reflects the income and share information used in the calculation of basic and diluted earnings per share:

	31 Dec 2015	**31 Dec 2014**
Earnings used to calculate basic EPS	**$(1,425,524)**	$(2,372,832)
Weighted average number of ordinary shares outstanding during the year - No. used in calculating basic EPS	**423,983,504**	423,983,504
Earnings/(loss) per share (cents)	**(0.34)**	(0.56)
Diluted earnings/(loss) per share (cents)	**(0.34)**	(0.56)

3 Net asset backing

	31 Dec 2015	**30 Jun 2015**
Net tangible assets per ordinary share (cents per share)	**0.87**	1.21

4 Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

	31 Dec 2015	**31 Dec 2014**
	$	**$**
Services fees received from 50% owned joint venture company	**29,250**	535,425
Plant, property and equipment purchased from 50% owned joint venture	**400,784**	-
Designated pathogen-free pig herd purchased from 50% owned joint venture company	**97,772**	-
Inventories purchased from 50% owned joint venture company	**81,143**	-
Balances with related parties:		
Payable to 50% owned joint venture company; repayable within 12 months; interest free	**554,969**	15,835

5 Trade and other receivables

	31 Dec 2015 $	30 Jun 2015 $
Trade receivables	**238,323**	56,032
Prepayments	**21,488**	32,504
Accrued interest	**29,994**	78,933
Other receivables	**33,402**	43,311
Total	**323,207**	210,780

6 Investment in joint venture

	31 Dec 2015 $	30 Jun 2015 $
Opening balance	**67,355**	4,581,011
Foreign exchange movement	**-**	(447,763)
50% of the result for the period	**(67,355)**	(4,065,893)
Total	**-**	67,355

7 Segment reporting

The consolidated entity only operates one business segment being the research and development and product development into living cell technologies, predominantly in New Zealand.

8 Contingent liabilities and contingent assets

A bank bond of $43,245, secured by a term deposit was on issue at the reporting date (last year nil).

There were no other contingent assets or liabilities at the reporting date (last year nil).

Living Cell Technologies Limited

Notes to the Consolidated Financial Statements

For the 6 months to 31 December 2015

9 Company details

The registered office of the company is:

Living Cell Technologies Limited
Level 7, 330 Collins Street
Melbourne, VIC 3000

The principal place of business is:

PO Box 23566
Hunters Corner, Manukau, 2155
Auckland, New Zealand

Living Cell Technologies Limited

Directors' Declaration

The directors of Living Cell Technologies limited declare that:

(a) The financial statements and note, as set out on pages 6 to 13 are in accordance with the Corporations Act 2001 including that they:

(i) give a true and fair view of the financial position as at 31 December 2015 and the performance for the half year ended on that date of the consolidated entity; and

(ii) comply with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001

(b) 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 Board of Directors, and is signed for and on behalf of the directors;

Dated at Auckland on the 26th day of February 2016



.....

Director

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Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Living Cell Technologies Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Living Cell Technologies Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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 Living Cell Technologies Limited, 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,* which has been given to the directors of Living Cell Technologies Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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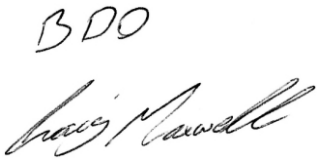
Conclusion

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 Living Cell Technologies Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO East Coast Partnership



Craig Maxwell
Partner

Sydney, 26 February 2016