

Lend Lease Cell FAB Limited

**Directors' report and
financial statements**

30 June 2004

Registered number 3676686



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

Principal activities

The principal activity of Lend Lease Cell FAB Limited is the design of semi-conductor factories.

Results and dividends

The company received no income nor incurred any expenses during the year (2003: loss of £462,777). The directors recommend that no final dividend be paid in respect of the year ended 30 June 2004 (2003: nil).

Directors

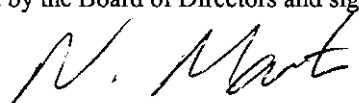
The directors who held office during the year were as follows:

R Fisher (appointed 30 June 2004)
G B Forbes (appointed 30 June 2004)
J F Haggett (resigned 30 June 2004)
H J Mursell

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the board



N C Martin
Secretary

Date: **27 April 2005**

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This statement should be read in conjunction with the statement of auditors' responsibilities set out in the audit report on page 3.

KPMG LLP
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

Independent auditors' report to the members of Lend Lease Cell FAB Limited

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions that we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors

28 April 2005

Profit and loss account

for the year ended 30 June 2004

	<i>Note</i>	2004 £	2003 £
Administrative expenses	5	-	(462,777)
Loss on ordinary activities before taxation	2, 3	-	(462,777)
Tax on loss on ordinary activities	4	-	-
Loss for the financial year		-	(462,777)
Retained balance brought forward		(1,545,529)	(1,082,752)
Retained loss carried forward		(1,545,529)	(1,545,529)

The company has no recognised gains or losses (2003: none) other than those shown above.

There is no difference between the results disclosed in the profit and loss account and the result given on an unmodified historical cost basis.

Notes to and forming part of the financial statements are set out on pages 6 to 9.

Balance sheet

at 30 June 2004

	<i>Note</i>	2004 £	2003 £
Fixed Assets			
Intangible Assets	5	-	-
Creditors: amounts falling due after one year	6	(300,635)	(300,635)
Net liabilities		(300,635)	(300,635)
Capital and reserves			
Called up share capital	7	1,244,894	1,244,894
Profit and loss account	8	(1,545,529)	(1,545,529)
Equity shareholders' deficit	8	(300,635)	(300,635)

The notes to and forming part of these financial statements are set out on pages 6 to 9.

These financial statements were approved by the board of directors on **27 April** 2005 and were signed on its behalf by:



H J Mursell
Director

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has ceased to trade and will be wound up in due course. As the directors do not intend to acquire a replacement trade, the financial statements have not been prepared on a going concern basis. No adjustments were necessary to the amounts at which remaining net liabilities are included in the financial statements.

Patent

Patent rights acquired are capitalised as intangible assets and amortised to nil, through equal annual instalments, to the profit and loss account over their useful economic lives. This is generally the period of legal rights to the patents.

Cash flow statement

A cash flow statement is not included with these financial statements as a consolidated cash flow statement, produced under Financial Reporting Standard No 1, is included in the financial statements of Lend Lease Europe Holdings Limited.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related Party Disclosures' to dispense with the requirement to disclose transactions with group companies.

2 Directors' remuneration and employees

The directors received no emoluments in respect of their services to the company. Directors' emoluments are disclosed in the consolidated financial statements of Lend Lease Europe Holdings Limited as they relate to services to the group as a whole.

The company did not employ any staff during the year.

3 Auditors' remuneration

Auditors' remuneration is borne by a fellow group undertaking.

Notes to the financial statements *(continued)*

4 Taxation

(a) Analysis of charge in year

	Year ended 30 June 2004 £	Year ended 30 June 2003 £
Current tax:		
UK Corporation charge on loss for the year at 30% (note 4 (b))	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

(b) Factors affecting tax charge for year

The tax assessed differs from the application of the standard rate of corporation tax in the UK (30%) to the company's accounting loss before taxation for the following reasons:

	Year ended 30 June 2004 £	Year ended 30 June 2003 £
Loss on ordinary activities before tax	-	(462,777)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	-	(138,833)
Effects of:		
Expenses not deductible for tax purposes	-	138,833
	<hr/>	<hr/>
Current tax charge for year (note 4 (a))	-	-
	<hr/>	<hr/>

(c) Factors that may affect future tax charges

Future effective tax rates may vary due to adjustments for previous years.

Notes to the financial statements (continued)

5 Intangible Assets

	2004 £	2003 £
Patent Pending		
Original cost	1,545,529	1,545,529
Accumulated amortisation at beginning of the year	(1,545,529)	(1,082,752)
Charge for the year	-	(462,777)
	<hr/>	<hr/>
Net book value at the end of the year	-	-
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The patents represents rights to international patent on design of semiconductor factories, and associated costs incurred. No future benefits are expected from the patent.

6 Creditors: amounts falling due after one year

	2004 £	2003 £
Amounts owed to group undertakings	300,635	300,635
	<hr/>	<hr/>

7 Called up share capital

	2004 £	2003 £
<i>Authorised</i>		
100 class 'A' ordinary shares of £1	100	100
2,000,000 class 'B' redeemable shares of £1	2,000,000	2,000,000
	<hr/>	<hr/>
	2,000,100	2,000,100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
1 class 'A' ordinary share of £1	1	1
1,244,893 class 'B' redeemable shares of £1	1,244,893	1,244,893
	<hr/>	<hr/>
	1,244,894	1,244,894
	<hr/>	<hr/>

Class 'B' redeemable shares rank pari passu with the class 'A' ordinary shares, except in respect of redemption where they rank in priority to any other shares.

Notes to the financial statements *(continued)*

8 Reconciliation of movements in equity shareholders' deficit

	Share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
At 1 July 2003 and 30 June 2004	1,244,894	(1,545,529)	(300,635)
	<u> </u>	<u> </u>	<u> </u>

9 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Lend Lease FAB Technologies Limited which is registered in England and Wales. Its ultimate parent undertaking is Lend Lease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of this group may be obtained from Level 4, 30 The Bond, 30 Hickson Road, Millers Point, New South Wales, Australia, 2000 or from its website at www.lendlease.com.au.

The smallest group in which the financial statements of the company are consolidated is that headed by Lend Lease Europe Holdings Limited. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.