ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN: 34 067 964 621
AND IT'S CONTROLLED ENTITY

FINANCIAL STATEMENTS
FOR THE YEAR ENDED

30 JUNE 2017

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONTENTS

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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DIRECTORS' REPORT

The Directors of Oncology Research International Limited present their Report together with the financial statements of the consolidated entity, being Oncology Research International Limited ('the Company') and its controlled entity ('the Group') for the year ended 30 June 2017 and the Independent Auditor's Report thereon.

DIRECTORS

The names of each person who has been a Director during the year and to the date of this report are:

PROFESSOR JOHN GORDON MCVIE - MD, FRCP, FRCPS, FRCSE, FMedSci, DSc (Hon)
Professor McVie is a Non-executive Director, Chairman of the Board of Oncology Research International Limited and Chairman of ORIL's Scientific Advisory Committee. Professor McVie was formerly Director General of the Cancer Research Campaign in the UK before it merged with the Imperial Cancer Research Foundation to form Cancer Research UK, when he became co-Director General. Professor McVie is a leading world authority in the research and treatment of cancer. He is currently Senior Consultant at the Scientific Directorate within the European Institute of Oncology, Milan, an active clinical oncologist, lead editor of several prestigious oncology journals and advisor to the World Health Organisation.

DR PHILIP ANDREW MARSHALL - BSc (Hons), PhD, FRACI, CChem MAICD
Dr Marshall is an Executive Director and Chief Executive Officer and manages the corporate aspects of the Company, as well as overseeing the scientific and research programs. Dr Marshall has over 30 years' international experience at senior and executive management level in scientific affairs within the pharmaceutical industry. He has considerable experience in bringing pharmaceutical products from concept to commercialization, risk management, international regulatory affairs and compliance to best practice, and in patents. Dr Marshall is a member of the Australian Institute of Company Directors.

DR KENNETH MICHAEL WAYTE - DC
Dr Wayte is an Executive Director, holds a Doctor of Chiropractic and served as secretary of the Australian Chiropractors Association, Western Australia from 1977 to 1980. He was diagnosed with bowel cancer in 1986 and after following a demanding and restrictive vegetarian diet with specific plant-based treatments he recovered. As a result, he founded ORIL in 1993 with the objective of researching plant-based therapies for cancer.

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

COMPANY SECRETARY

Dr Kenneth Michael Wayte held the position of Company Secretary at the end of the financial year.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year is medical research. There have been no significant changes in the nature of these activities during the financial year.

OPERATING RESULTS

The consolidated operating loss of the Group after providing for income tax for the financial year amounted to $ 64,013 (30 June 2016: Loss $ 1,206,157).

DIVIDENDS PAID OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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DIRECTORS' REPORT

REVIEW OF OPERATIONS

SUMMARY

This Report covers the major activities of the company for the 2016-17 financial year: Science & Technology, Business Development and Operations.

The Company currently has very limited financial resources and has over the last 12 months explored a number of potential capital raising proposals. Our executive team has accepted a reduced remuneration while those fund raising efforts continue. It is challenging to continue our technology research and development without adequate funding and securing funding is a key priority of our company. We will keep shareholders updated on fund raising efforts.

Notwithstanding it has made progress in its technology and ORIL's major emphasis continues to be the treatment of cancers with a high, worldwide, unmet clinical need such as lung, bowel, liver, pancreatic, breast and prostate cancers. Subject to funding the R&D strategy will focus on the development of the new compounds such as ORIL019 for use in the new field of immuno-oncology.

1. SCIENCE & TECHNOLOGY

ORIL's major focus has continued to be the treatment of cancers with high unmet clinical need such as liver, lung, pancreatic, prostate, breast and bowel cancers.

Given the growing interest and success by pharma in immuno-oncology ORIL has recognized this change in the market and sharpened its interest in the development of its compounds to meet this demand.

1.1 ORIL007 as a single agent

ORIL007 had been selected as the lead candidate for oncology based on a large number of criteria and studies that included in vitro and in vivo potency and efficacy studies, safety and toxicology profile, ease of manufacture for supply, physical and chemical properties for formulation and delivery.

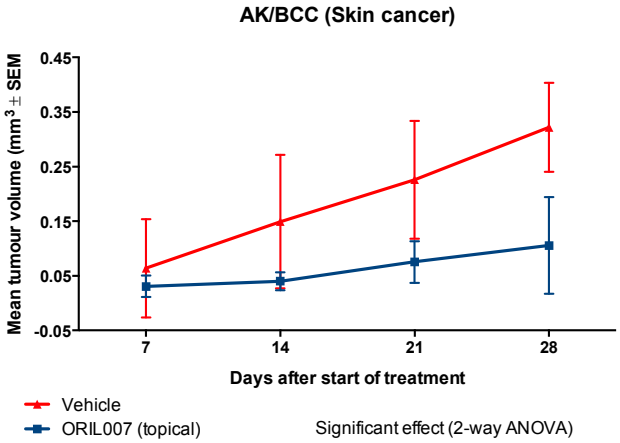
Oral
ORIL designed a formulation to improve the apparent water-solubility of ORIL007 (one of the most important features of a drug molecule for formulation purposes), for application in oral solid-dose and related formulations. This produced highly encouraging results and a provisional patent application was filed in November 2016 to protect this innovative technology.

ORIL entered into a research collaboration with the Women & Children's Hospital (W&CH) and University of Adelaide, SA into the investigation of the application of ORIL007 (in the novel oral formulation), in colorectal cancer, in both prevention and treatment. The study has now been completed with ORIL007 showing no benefit over the placebo in either protection or treatment. The patent application has been discontinued for commercial reasons.

Parenteral
ORIL designed and evaluated new 2nd generation water-soluble compounds as a more viable longer term option. (Refer 1.3 below).

Topical (dermal)
A collaborative study in with experts based at the Translational Research Institute (TRI) at the University of Queensland to investigate the use of ORIL007 in a topical (dermal) product in animal models that closely mimic the clinic situation of skin cancers commenced in 2016. One of these complex studies with the TRI (which took 9-10 months to complete from the commencement of treatment), has been completed with ORIL007 and showed a positive benefit over the placebo in treatment of non-melanoma skin cancers, (actinic keratoses/basal cell carcinoma) as depicted in the following graph.

REVIEW OF OPERATIONS (continued)



The second study in the melanoma skin cancer model is still in progress.

The Overall R&D Strategy

During these long studies at the TRI, ORIL undertook parallel, investigative studies in the:

1. Use of ORIL007 in combination with other oncology agents,
2. Development of new 2nd generation oncology agents building on the considerable experience and knowledge acquired from the many studies conducted on other ORIL agents. This resulted in the new family of compounds including ORIL019,
3. Investigation of the potential application of these new agents in the developing field of immuno-oncology.

1.2 ORIL agents in combination therapy

Increasingly, combination therapy is the preferred choice in the treatment of cancer because optimal combination therapies have the potential to increase efficacy, reduce toxicity or both, and overall cost of treatment when compared with the equivalent monotherapy.

As shown in the table below positive combination outcomes have been demonstrated with ORIL007 with other cancer agents in an ongoing program to optimize combination therapies using ORIL007 as one of the components.

	Breast (metastatic)	Breast (TN)	Colon	Lung	Prostate	Kidney
Cisplatin		Synergy	Additive		Additive	
Docetaxel	Synergy		Additive	Additive	Additive	
Doxorubicin	Additive	Additive	Additive			
5-FU			Additive			
Gemcitabine	Synergy	Additive	Additive	Additive		
Carboplatin				Synergy		
Sorafenib						Synergy

Synergy = the creation of a whole that is greater than the simple sum of its parts

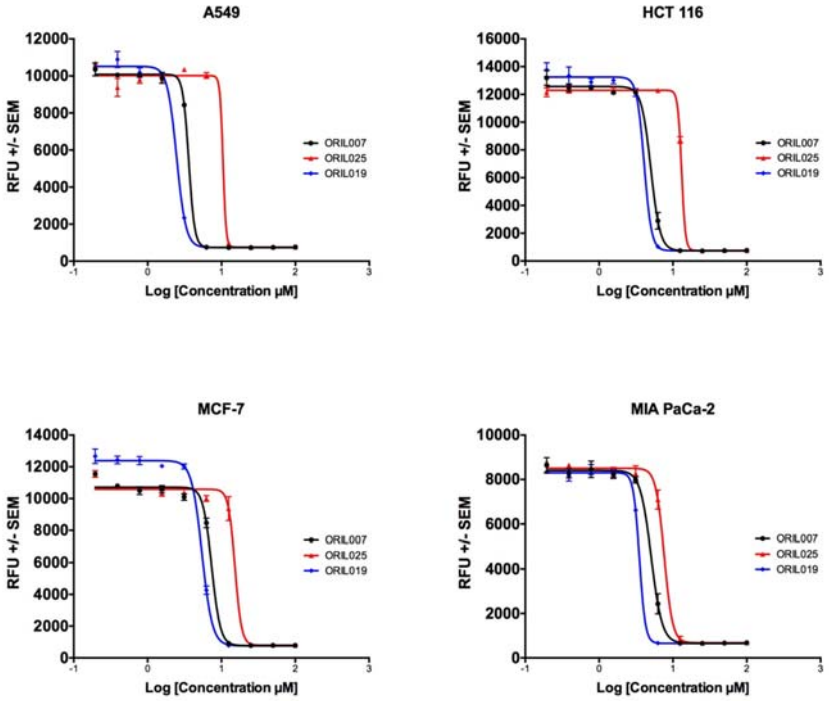
Additive = effects are the simple sum of parts

REVIEW OF OPERATIONS (continued)

Other combinations of current and new ORIL compounds with antibodies and immuno-oncology agents are under investigation for application in immuno-oncology therapies. Refer 1.4.

1.3 New chemical entities

Using the knowledge acquired from the medicinal chemistry studies of the earlier ORIL compounds, that is the naturally-occurring family of steroid saponins (such as ORIL007) found in herbs and plants used in Traditional Chinese Medicine ORIL scientists designed and synthesized a number of novel new chemical entities. These new compounds overcome some of the difficult physico-chemical properties of the naturally occurring compounds such as their inherent insolubility and offer other value-adding benefits. Initial results shown in the following graphs are promising in that (for example), ORIL019 has an increased in vitro potency in 5 cancer types.



An Australian provisional patent application to protect these new agents was filed in February 2017. These compounds have a number of key features:

- **New chemical entities** with high-value composition of matter **patents** pending
- Safe and potent against cancer cells
- Immuno-potentiating for use in **immuno-oncology** in combination with other agents
- **Improved solubility** (e.g. water soluble)
- Potential to be administered as an **oral solid dose form** (e.g. powder, tablet capsule etc.)
- Other (commercially confidential) properties

Importantly these new compounds can potentiate the activity of current chemotherapies in the market and have the potential to enhance the action of immuno-oncology therapies (agents that stimulate the body's own immune system to fight cancer). Refer 1.4 below.

REVIEW OF OPERATIONS (continued)

1.4 In immuno-oncology

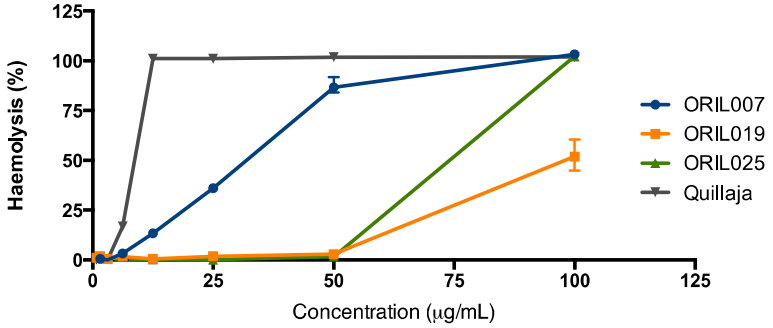
Over the past few years, the majority of the multinational pharma companies have switched research and development focus to innovative immuno-oncology approaches that harness the natural power of the immune system to combat cancer. The charge has been led by antibodies against the receptor proteins/immuno checkpoints CTLA-4[1] and PD-1[2], which have seen the launches of a new class of compounds (known as checkpoint inhibitors) Ipilimumab (Yervoy, Bristol-Myers Squibb), Nivolumab (Opdivo, Bristol-Myers Squibb) and Pembrolizumab (Keytruda, Merck & Co) initially approved by the US FDA for melanoma and clinical trials for other cancers are underway. Further advances in the effectiveness of cancer immunotherapies will require targeting antitumor immune response at multiple levels, which may be accomplished through combination approaches.

Saponins have a history of use as immuno-modulators for immunotherapies. Saponin based adjuvants have the ability to modulate the cell mediated immune system as well as to enhance antibody response. However, their use in the clinic has been limited by their poor water-solubility (making them difficult to formulate) and their toxicity. As the previous graph and the graph below show, the novel ORIL compounds retain the anti-cancer activity of its earlier compounds while presenting decreased haemolytic activity, when compared to the commercial saponin derived from Quillaja.

Haemolytic activity as measured by reduced lysis of human blood cells is a favourable indicator of safety of various ORIL compounds, compared to a commercial saponin derived from Quillaja (Quil A). The greater the % haemolysis at a given drug concentration, the greater the haemolytic activity.

Many saponins such as Quil A have serious drawbacks including high toxicity, undesirable haemolytic effect, poor water-solubility and instability in the aqueous phase, which have limited their use as an adjuvant in vaccination.

The low haemolytic activity of ORIL compounds compared to Quillaja shown in the graph below.

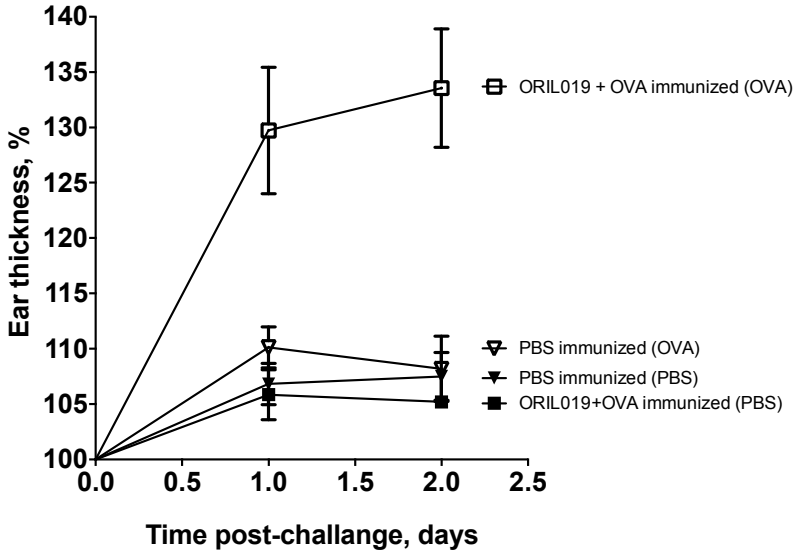


In addition, ORIL compounds are found to have the ability to promote the immune response and can thus act as adjuvants for T-cell activation in immuno cancer therapy.

[1] CTLA-4 = cytotoxic T-lymphocyte-associated protein 4
[2] PD -1 = programmed cell death protein 1

REVIEW OF OPERATIONS (continued)

The graph below illustrates that the new ORIL compound ORIL019 has a strong in vivo immuno-potentiating effect in the mouse oedema model.



Other investigations to study the in vivo potential of ORIL019 in a number of oncology and immuno-oncology models are in progress, as a single agent and in combination with other immuno-oncology therapies.

1.5 Safety studies

A large number of studies are on file (and have been reviewed by an independent toxicology expert) that demonstrate ORIL compounds are well tolerated when administered as single and multiple doses to rodents via the oral, topical and parenteral routes.

Recent studies also support that ORIL019 is also well tolerated when administered as single and multiple doses to rodents via the oral and intravenous routes.

1.6 Compound Supply

Early on ORIL recognized the difficulty of relying on the vagaries of nature for supply of the naturally occurring saponins and has overcome the supply issues by developing a novel synthetic route to manufacture its compounds for commercial supply, with a patent position. The method of manufacture has been completed in the laboratory, scaled-up for commercial quantities, under international good manufacturing practice (GMP) and at relative low cost.

The support data for the verification and characterization of the key intermediates, analytical method validation has been completed. Importantly this can be used for downstream technology transfer to an approved pharmaceutical active ingredient manufacturer and for the Chemistry, Manufacturing Control (CMC) section of the IND[3]. It is important to note that the US FDA evaluates the CMC section of the IND before the other sections.

[3] IND = Investigational New Drug – an application for US FDA regulatory approval for new drug to be evaluated in humans

REVIEW OF OPERATIONS (continued)

The new compounds are based on ORIL's patented method of manufacture of the related steroid saponins and the majority of the CMC section of the IND is also applicable for the new agents such as ORIL019. A provisional patent application to protect these new agents was filed in February 2017.

1.7 IP Portfolio

The following table below provides an update of the status of the ORIL family of patents. During 2016-17 the ORIL Directors took the decision to discontinue some of the patent families - for commercial reasons only.

Title (Family)	Patent Application No.	Status
Methods and compositions for promoting activity of anti-cancer therapies	PCT/AU2007/001091	Granted in Australia, USA, India, Canada, China, Europe, Eurasia, Mexico, Taiwan and Japan Under examination/pending in Brazil
Improved synthesis of a class of steroid saponins	PCT/AU2013/000416	National Phase Entry November 2014. Granted in Australia
Novel Chemical Entities	2017900427	Filed February 2017
Methods and compositions for inhibiting angiogenesis	PCT/AU2007/001092	Discontinued
Polymorph (ORIL007)	PCT/AU2013/000417	Discontinued
Novel Formulations	2016904406	Discontinued

ORIL's strategy continues to aggressively seek intellectual property protection on proprietary technologies where the scientific, business and legal support for such protection are soundly based. The technology remains 100% owned by the Company.

2. BUSINESS DEVELOPMENT

In April 2016 ORIL engaged the services of Liberi Life Science Consultancy B.V., a company based in The Netherlands to assist ORIL to identify and connect with suitable commercial partner(s) for the commercialization of its technology. Liberi has an impressive history of making suitable strategic, international connections between companies, universities, investors etc. Liberi made a large number of presentations to various international companies on behalf of ORIL, some of which led to the signing of a confidentiality agreement to enable exchange of information. To date none has led to a commercial agreement.

In December 2016, ORIL senior executives presented its business opportunity to the Shanghai Entrepreneur Association (SEA) in Shanghai, Peoples Republic of China, an investment group comprising of 100+ Chinese high net worth individuals looking to invest worldwide and with an interest in Australia.

REVIEW OF OPERATIONS (continued)

This opportunity was in collaboration with the Port Adelaide Football Club (PAFC), organized through its connections in China and part of its strategic business development in China. ORIL was selected from a large number of Australian applicants and was the only biotech company among the 10 presenting groups. The presentation, which was delivered in both English and Mandarin was well received and led to two major leads, one which has since declined the opportunity and ORIL is waiting on a response for the other.

ORIL executives, in collaboration again with the PAFC and also the South Australian State Government, Department of International Trade again presented the business opportunity to Chinese high net worth individuals and entrepreneurs who are seeking up to $5 million investment in Australia. The event was held at the Adelaide Oval in May 2017, prior to the AFL game and ORIL was the only biotech company among the 6 presenters. The company again received positive feedback and is following up several leads.

Numerous other leads and opportunities have been identified and pursued during the past 12 months and include but are not limited to:

- Biomedical Translation Fund: $500 million allocated funds from the government's $500 nillion Biomedical Translation Fund. This is in progress.
- Medical Research Future Fund (MRFF) $20 Billion Fund. ORIL was advised it did not meet the eligibility criteria.
- International groups such as: mid to large Pharma and Biotech companies, Corporations, Family Offices, Foundations, Philanthropists, Venture Capital Funds.

To date the company has not been successful in raising the necessary funds.

3. OPERATIONS

During the year the company received a R&D tax offset of $518,886 with respect to the 2015-16 tax return. The Board of Directors resolved in June 2016 to operate at no fees for the 2106-17 financial year and until ORIL has sufficient funds.

Since July 1st, 2016 and to maximize the company's opportunities, the CEO and the R&D Program Manager have continued on company activities on a monthly basis at a reduced fee.

On June 30th 2017 these two contracts were further scaled back to a pre-approved month-by-month basis. Both are continuing at significantly reduced rates to maximize the company's opportunities from its science and platform technology. In the event that sufficient funds are not raised/available by ORIL to pay any deferred payments both contractors have agreed to not make any claim against the company (ORIL) in respect to deferred invoices.

The company requires $2 million in immediate funding for its ongoing operations.

REVIEW OF OPERATIONS (continued)

4. THE NEXT FEW MONTHS…….

Ongoing operations are dependent on additional funding. All possible actions for fund raising opportunity are being taken by the ORIL executive group.

The company is waiting on a number of key proof-of-concept scientific studies in oncology and immuno-oncology to be completed. While the early signs are encouraging as of June 2017 the full data are not yet available. Subject to funding the R&D efforts will concentrate on the development of ORIL019 in immuno-oncology.

The Directors are hopeful of attracting investment interest but there is no guarantee and the Directors make no forecast. Our efforts over the past 12 months through a number of international sources for funding such as venture capital, investment groups, licence or partnering have not yet been successful.

It is not possible for the company to continue indefinitely and the Board has decided that if insufficient funds have not been raised by the 2017 Annual General Meeting, scheduled for November, the company must seriously consider its future.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year.

EVENTS ARISING SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

LIKELY DEVELOPMENTS

Likely developments in the operations of the consolidated group and the expected results of those operations in future financial years have been discussed where appropriate in relation to the Group's medical research prospects in the Review of Operations contained in this report.

There are no further likely developments of which the Directors are aware which could be expected to affect the result of the Group's operations in future years.

ENVIRONMENTAL LEGISLATION

The Company's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

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DIRECTORS' REPORT

INDEMNIFYING OFFICER OR AUDITOR

During the year, Oncology Research International Limited paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

UNISSUED SHARES UNDER OPTION

As at the date of this report, there were no unissued ordinary shares of Oncology Research International Limited under option.

No options were issued to Directors and key management personnel as remuneration during the year ended 30 June 2017 and to the date of this report.

DIRECTORS' MEETINGS

The number of meetings of Directors held during the year and the number of meetings attended by each Director is as follows:

	Meetings Attended	Meetings Eligible to Attend
J G McVie	7	7
P A Marshall	7	7
K M Wayte	7	7

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2011 is included on the following page of this financial report and forms part of this Directors' Report.

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

P A MARSHALL
DIRECTOR

K M WAYTE
DIRECTOR

Dated this 28th day of September 2017

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W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of Oncology Research International Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Oncology Research International Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 28 September 2017

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	Consolidated Group	
		2017	**2016**
		$	**$**
Other Income	2	689,613	784,905
Depreciation expense		(936)	(1,127)
Accountancy		(122,350)	(171,295)
Audit fees		(21,000)	(19,750)
Corporate advisory		(1,500)	(126,434)
Consultancy fees		(248,699)	(655,621)
Directors fees		-	(130,000)
Legal fees		(1,740)	(10,491)
Patents		(137,893)	(196,025)
Research & development	3	(145,232)	(494,128)
Secretarial fees		(19,280)	(31,210)
Travel and accommodation		(18,220)	(108,222)
Other expenses		(36,776)	(46,759)
Loss before income tax		(64,013)	(1,206,157)
Income tax expense	4	-	-
Loss for the year		(64,013)	(1,206,157)
Other comprehensive income		-	-
Total comprehensive loss, net of tax, attributable to owners of the parent entity		(64,013)	(1,206,157)

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	NOTE	Consolidated Group	
		2017 $	2016 $
CURRENT ASSETS			
Cash and cash equivalents	5	106,638	403,016
Trade and other receivables	6	184,406	31,577
Other current assets	7	5,140	8,814
TOTAL CURRENT ASSETS		296,184	443,407
NON-CURRENT ASSETS			
Property, plant & equipment	8	1,471	2,407
TOTAL NON-CURRENT ASSETS		1,471	2,407
TOTAL ASSETS		297,655	445,814
CURRENT LIABILITIES			
Trade and other payables	9	69,143	153,289
TOTAL CURRENT LIABILITIES		69,143	153,289
TOTAL LIABILITIES		69,143	153,289
NET ASSETS		228,512	292,525
EQUITY			
Share capital	10	17,327,763	17,327,763
Reserves	11	237,540	237,540
Accumulated losses		(17,336,791)	(17,272,778)
TOTAL EQUITY		228,512	292,525

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Accumulated Losses	Reserves	Total
	$	$	$	$
Consolidated group				
Balance at 1 July 2015	17,325,513	(16,066,621)	237,540	1,496,432
Loss for the year	-	(1,206,157)	-	(1,206,157)
Transactions with owners				
Issue of share capital, net of issue costs	2,250	-	-	2,250
Balance at 30 June 2016	17,327,763	(17,272,778)	237,540	292,525
Loss for the year	-	(64,013)	-	(64,013)
Transactions with owners				
Issue of share capital, net of issue costs	-	-	-	-
Balance at 30 June 2017	17,327,763	(17,336,791)	237,540	228,512

The accompanying notes form part of these financial statements.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	Consolidated Group	
		2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,670	20,514
Goods & Services tax refund		82,704	136,808
Research & Development Tax Offset Refund		518,886	769,045
Payments to suppliers		(899,638)	(2,190,874)
Net cash used in operating activities	20	(296,378)	(1,264,507)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Plant and Equipment		-	(456)
Net cash used in investing activities		-	(456)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	2,250
Share issue costs		-	-
Net cash provided by financing activities		-	2,250
Net increase/(decrease) in cash held		(296,378)	(1,262,713)
Cash at the beginning of the financial year		403,016	1,665,729
Cash at the end of the financial year	5	106,638	403,016

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

The principal activity of Oncology Research International Limited and its subsidiary (the Group) is medical research.

General Information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB.) Oncology Research International Limited is a for-profit entity for the purpose of preparing the financial statements.

Oncology Research International Limited is the Group's ultimate parent company. Oncology Research International Limited is an unlisted public company incorporated and domiciled in Australia. The registered office of the company is Level 5 45 St Georges Terrace Perth WA 6000. The principal place of business is 40 Redheart Road Carramar WA 6031.

The consolidated financial statements for the year ended 30 June 2017 (including comparatives) were approved and authorised for issue by the board of directors on 28th day of September 2017.

Going Concern

These financial statements have been prepared on a going concern basis which the Directors believe to be appropriate. The Directors are confident that the Group will be able to maintain sufficient levels of working capital to continue as a going concern and continue to pay its debts as and when they fall due.

For the year ended 30 June 2017, the Group incurred a loss before tax of $ 64,013 (2016: $1,206,157). For the year ended at 30 June 2017, the Group incurred net operating cash outflows of $296,378 (2016: $1,264,507).

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments. The Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- The current cash of the Group relative to its fixed and discretionary commitments;
- The contingent nature of certain of the Groups' project expenditure commitments;
- The ability of the Group to receive rebates from research and development and other government grants; and
- The underlying prospects for the Group to raise funds.

The Directors are confident that the Group can continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis.

Should the Group be unable to undertake the initiatives disclosed above, there is uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New and amended standards adopted by the Group in this financial report

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards. Information on the more significant standards is presented below.

AASB *2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

The amendments to AASB 11 Joint Arrangements state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the existing interest is not re-measured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and

- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

AASB 2014-3 is applicable to annual reporting periods beginning on or after 1 January 2016.

The adoption of these amendments has not had a material impact on the Group as the group does not engage in any joint operations.

AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or

- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

AASB 2014-4 is applicable to annual reporting periods beginning on or after 1 January 2016.

The adoption of these amendments has not had a material impact on the Group.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 2014-9 ***Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements***

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

The adoption of these amendments has not had a material impact on the Group.

AASB 2015-2 ***Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101***

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB Disclosure Initiative project.

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information;
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated;
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position;
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order;
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy.

AASB 2015-2 is applicable to annual reporting periods beginning on or after 1 January 2016.
The adoption of these amendments has not had a material impact on the Group.

Impact of standards issued but not yet applied by the Group

New and revised accounting standards and amendments that are currently issued for future reporting periods that are relevant to the Group include:

AASB 9 ***Financial Instruments***

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 15 *Revenue from Contracts with Customers*

AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations.

In summary, AASB 15:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time at a point in time;
- provides a new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return and warranties); and
- expands and improves disclosures about revenue.

The effective date is for annual reporting periods beginning on or after 1 January 2018.

When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements as the company does not recognise any revenue other than interest received and Research and Development tax offsets.

AASB 16 *Leases*

AASB 16 replaces AASB 117 Leases and some lease-related Interpretations.

In summary, AASB 16:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases.

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The effective date is for annual reporting periods beginning on or after 1 January 2019.

When this Standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements as the company has not recognised any operating leases in its financial statements.

AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*

AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

AASB 2016-2 ***Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107***

AASB 2016-2 amends AASB 107 Statement of Cash Flows to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Accounting Policies

(a) Overall Considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(b) Principles of Consolidation

The Group financial statements consolidate those of the parent company and its subsidiary drawn up to 30 June 2017. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies.

As at reporting date, the assets and liabilities of the controlled entity have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, Plant and Equipment

Plant and equipment
Plant and equipment are measured on the cost basis.

Depreciation
The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Useful Life
Plant and equipment	5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(d) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using the rates of tax enacted, or are substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are charged or credited directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled, based on tax rates enacted or substantially enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future tax profit will be available against which the benefits of the deferred tax asset can be utilised.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income Tax (continued)

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 tax legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Tax Consolidation

Oncology Research International Limited and its wholly owned Australian subsidiary have formed an income tax consolidated group from 1 July 2003 under tax consolidation legislation. Oncology Research International Limited is responsible for recognising the current and deferred tax liabilities for the tax consolidated group.

(e) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Intangibles

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs not meeting these criteria for capitalisation are expensed as incurred.

Developments costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Other Income

Interest revenue is reported on an accruals basis using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Government and other grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants are not credited directly to shareholders equity.

When the grant relates to an asset, the fair value is credited to deferred income and is released to the profit or loss over the expected useful life of the relevant asset by equal annual installments.

From 1 July 2011, the Australian Government has provided a tax incentive for eligible research and development expenditure.

Management has assessed its research and development activities and expenditures to determine which are likely to be eligible under the scheme.

The Group records the benefit of this credit only when all qualifying research has been performed and the Group has obtained sufficient evidence from the relevant government authority that the credit will be granted.

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

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which it operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Exchange rate differences arising on translation are recognised in the income statement.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

(l) Financial instruments

Recognition
Financial instruments, incorporating financial assets and financial liabilities, are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value
Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(m) Share-based payments

The Company provides benefits to key management personnel (including directors) and research contractors of the Company in the form of share-based payment transactions, whereby services are rendered in exchange for options over shares ('equity-settled transactions').

The fair value of the equity to which the key management personnel become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account.

(n) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

		Consolidated Group	
		2017	**2016**
		$	**$**
2.	**REVENUE**		
	Operating activities		
	- Interest received	1,542	15,860
	- Research & Development Tax Offset Refund	518,886	769,045
	- Research & Development Tax Offset Accrual	169,185	-
	Total Revenue	689,613	784,905
3.	**LOSS FOR THE YEAR**		
	Expenses		
	- Research & development costs	145,232	494,128
4.	**INCOME TAX**		
	The prima facie tax payable (benefit) on the profit/(loss) from activities before income tax is reconciled to the income tax expense or benefit as follows:		
	Prima facie income tax payable (benefit) on profit/(loss) from activities before income tax at 27.5% (2016: 28.5%)	(17,603)	(343,755)
	Tax effect of differences:		
	Non assessable items:		
	- Research & Development Tax Offset Refund	(189,220)	(219,178)
	Non allowable items:		
	- Research & Development Tax Offset Claim	107,122	339,320
	- Other non allowable items	540	822
	Decrease (Increase) in Deferred Tax Asset	9,925	22,797
	Deferred Tax Assets not brought to account at 27.5% (2016: 28.5%)	89,236	199,994
	Income tax benefit attributable to profit/(loss) from ordinary activities before income tax	-	-
	Potential tax benefit at 27.5% (2016: 28.5%) of unused tax losses for which no Deferred Tax Asset has been recognised	2,176,306	2,115,888

		Consolidated Group	
		2017	**2016**
		$	$
5.	**CASH AND CASH EQUIVALENTS**		
	Cash at bank and in hand	106,638	403,016
	Reconciliation of Cash		
	Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Statement of Financial Position as follows:		
	Cash and cash equivalents	106,638	403,016
6.	**TRADE AND OTHER RECEIVABLES**		
	Current		
	Other receivables	22	151
	Research & Development Tax Offset Receivable	169,185	-
	Goods & Services Tax Receivable	15,199	31,426
		184,406	31,577
7.	**OTHER CURRENT ASSETS**		
	Current		
	Prepayments	5,140	8,814
8.	**PROPERTY, PLANT & EQUIPMENT**		
	Plant & equipment, at cost	14,513	14,513
	Accumulated depreciation	(13,042)	(12,106)
		1,471	2,407

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.

Plant and Equipment

Balance at beginning of year	2,407	3,078
Additions	-	456
Depreciation Expense	(936)	(1,127)
Carrying amount at the end of the year	1,471	2,407

9.	**TRADE AND OTHER PAYABLES**		
	Current		
	Trade payables	69,143	153,289

	Consolidated Group	
	2017	**2016**
	$	**$**

10. SHARE CAPITAL

43,345,749 (2016: 43,345,749)		
Fully paid ordinary shares	17,327,763	17,327,763
Ordinary shares		
At the beginning of the reporting period	43,345,749	43,341,249
Shares issued during the year	-	4,500
At reporting date	43,345,749	43,345,749

No shares were issued during the financial year.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options

At balance date, no share options existed which if exercised would result in the issue of fully paid ordinary shares.

No share options were issued to key management personnel during the financial year.

100,000 share options expired during the financial year.

10. SHARE CAPITAL (continued)

Capital Management

The Company's objectives when managing capital are to ensure the Group can fund its operating and continue as a going concern.

The Company monitors its working capital position against expenditure requirements to undertake its planned research and development program and maintain its ongoing operations. Where required the Company will issue new securities or modify its research and development program to ensure the Company's working capital requirements are met.

There have been no changes in the policy adopted by management to control the capital of the Company since the prior year.

11. RESERVES

Option Reserve

The Option Reserve is used to recognise fair value of options issued to key management personnel (including directors), their associates and research contractors. Details of the movement in reserves are shown on the face of the statement of changes in equity. No options were issued during the financial year.

12. KEY MANAGEMENT PERSONNEL

Compensation Practices

The totals of remuneration paid to the key management personnel of the Group during the year are as follows:

	Consolidated Group	
	2017	**2016**
	$	**$**
Short term benefits		
Cash fees[1]	130,000	590,000

Note 1

The cash fees paid are consulting fees of $130,000 (2016: $460,000) paid to companies associated with key management personnel for the services provided by key management personnel to the Group. No directors fees were paid during the year (2016: $130,000.)

Other key management personnel transactions

Other transactions and balances with key management personnel are disclosed in Note 13.

13. RELATED PARTY TRANSACTIONS

Other transactions with key management personnel

Key management personnel and their associated entities were reimbursed for expenditure incurred in respect of the consolidated group totalling $21,213 excluding GST (2016: $85,682 excluding GST). The amount owed by the consolidated group in respect to reimbursements due at 30 June 2017 to key management personnel and their associated entities was $277 excluding GST (2016: $7,083 excluding GST was owed to the consolidated group).

The amount owed by the consolidated group at 30 June 2017 for consulting fees as disclosed at Note 12 was $11,000 excluding GST (2016: directors and consulting fees $77,500 excluding GST.)

Details of key management personnel compensation are disclosed separately in Note 12.

14. SHARE – BASED PAYMENTS

There were no share based payments existing at 30 June 2017:

	2017		2016	
	Number of options	**Weighted Average exercise price**	**Number of Options**	**Weighted average exercise price**
Outstanding at the beginning of the year	-	-	2,520,000	$0.76
Expired	-	-	2,520,000	-
Outstanding at year end	-	-	-	-
Exercisable at year end	-	-	-	-

All options granted to key management personnel which were for ordinary shares in Oncology Research International Limited expired during the previous financial year. The options conferred a right of one ordinary share for every option held if exercised by the expiry date.

15. SEGMENT INFORMATION

The consolidated group operates predominantly in the medical research industry within Australia.

16. INTEREST IN SUBSIDIARY

Set below are details of the directly held subsidiary:

ONCOLOGY RESEARCH ASSOCIATES PTY LTD	**2017**	**2016**
Country of Incorporation	Australia	Australia
Class of Share	Ordinary	Ordinary
Cost of Parent Company's Investment	$2,000,000	$2,000,000
Equity Holding	100%	100%
Contribution to Consolidated Income (Loss) from Ordinary activities before income tax	-	-

Deed of Cross Guarantee
Oncology Research International Limited and Oncology Research Associates Pty Ltd are parties to a Deed of Cross Guarantee which was lodged with and approved by the Australian Securities and Investments Commission on 8 December 1995. Under the Deed of Cross Guarantee each of the above named companies guarantees the debts of the other company.

The aggregate assets and liabilities of the above named entities relieved under the deed, and their aggregate net profit/(loss) after tax for the period then ended (after eliminating intercompany investment and other intercompany transactions) are as follows:

	2017	**2016**
	$	**$**
Assets	-	-
Liabilities	-	-

17. COMMITMENTS AND CONTINGENT LIABILITIES

There was no outstanding commitments or contingent liabilities not provided for in the financial statements of the consolidated group as at 30 June 2017.

18. PARENT ENTITY – ONCOLOGY RESEARCH INTERNATIONAL LIMITED

	2017	**2016**
	$	**$**
Parent entity		
Assets		
Current assets	296,184	443,407
Non-current assets	1,471	2,407
Total assets	297,655	445,814
Liabilities		
Current liabilities	69,143	153,289
Total liabilities	69,143	153,289
Equity		
Issued capital	17,327,763	17,327,763
Option Reserve	237,540	237,540
Retained earnings	(17,336,791)	(17,272,778)
Financial performance		
Loss for the year	64,013	1,206,157
Other comprehensive income	-	-
Total comprehensive loss	64,013	1,206,157

19. FINANCIAL INSTRUMENTS

Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to subsidiaries.

The main purpose of non-derivative financial instruments is to raise finance for the group operations.

The group does not have any derivative instruments at 30 June 2017.

(a) Interest rate risk

Interest rate risk is where the value of a financial instrument will fluctuate due to changes in market interest rates.

Receivables and loans to and from related entities are interest free and therefore do not evidence interest rate risk.

The consolidated group's exposure to interest rate risk and the effective interest rates on financial assets and financial liabilities at the balance date is as follows:

Financial Instruments	Floating Interest rate		Non-interest Bearing		Total carrying Amount as per the Statement of Financial Position		Weighted average Effective interest rate	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
(i) Financial assets								
Cash	106,638	403,016	-	-	106,638	403,016	0.73%	1.74%
Trade receivables	-	-	184,406	31,577	184,406	31,577	-	-
Prepayments	-	-	5,140	8,814	5,140	8,814	-	-
Total financial assets		403,016	189,546	40,391	296,184	443,407	-	-
(ii) Financial liabilities								
Trade creditors & accruals	-	-	69,143	153,289	69,143	153,289	-	-
Total financial liabilities		-	69,143	153,289	69,143	153,289	-	-

Interest rate sensitivity

At 30 June 2017, if interest rates had changed by -100/+70 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been $1,542 lower/ $1,484 higher (2016 – change of -100/+70 bps: $9,111 lower/ $6,378 higher), mainly as a result of higher/lower interest income from cash and cash equivalents. Equity would have been $1,542 lower/ $1,484 higher (2016 – change of -100/+70 bps: $9,111 lower/ $6,378 higher) mainly as a result of an increase/decrease in the interest income from cash and cash equivalents.

19. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The consolidated entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity manages liquidity risks by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The table below reflects the contractual maturities of financial liabilities, including estimated interest payments.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial asset maturity analysis

30 June 2017	**Carrying amount**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial assets liabilities due for payment						
Trade creditors and accruals	69,143	69,143	-	-	-	-
Financial assets – cash flows realisable						
Cash and cash equivalents	106,638	106,638	-	-	-	-
Trade and other receivables	184,406	184,406	-	-	-	-

30 June 2016	**Carrying amount**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial assets liabilities due for payment						
Trade creditors and accruals	153,289	153,289	-	-	-	-
Financial assets – cash flows realisable						
Cash and cash equivalents	403,016	403,016	-	-	-	-
Trade and other receivables	40,391	40,391	-	-	-	-

19. FINANCIAL INSTRUMENTS (continued)

(c) Fair values

The aggregate net fair values of financial assets and financial liabilities at the reporting date, are as follows:

	Total carrying amount As per balance sheet		Aggregate Fair value	
	2017	2016	2017	2016
Financial assets				
Cash	106,638	403,016	106,638	403,016
Prepayments	5,140	8,814	5,140	8,814
Receivables - other debtors	184,406	31,577	184,406	31,577
Total financial assets	296,184	443,407	296,184	443,407
Financial liabilities				
Trade creditors & accruals	69,143	153,289	69,143	153,289
Total financial liabilities	69,143	153,289	69,143	153,289

The following methods and assumptions are used to determine the fair values of financial assets and liabilities.

Recognised financial instruments

Cash: The carrying amount equals fair value because of their short-term to maturity.
Trade receivables: Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.
Trade creditors and accruals are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

(d) Credit risk exposures

The consolidated group's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

20. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

Details of the reconciliation of cash flows used in operating activities are as follows:

	Consolidated Group	
	2017 $	2016 $
Cash flows used in operating activities		
Loss for the period	(64,013)	(1,206,157)
Adjustment for depreciation	936	1,127
Change in trade and other receivables	(152,829)	10,298
Change in other current assets	3,674	33,183
Change in trade and other payables	(84,146)	(102,958)
Net cash used in operating activities	(296,378)	(1,264,507)

21. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the consolidated Group, the results of those operations or the state of affairs of the consolidated Group in subsequent financial years.

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
AND IT'S CONTROLLED ENTITY
ABN 34 067 964 621

DIRECTORS' DECLARATION

1. In the opinion of the directors of Oncology Research International Limited:

   a) the consolidated financial statements and notes of Oncology Research International Limited, as set out on pages 12 to 34 are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of its financial position as at 30 June 2017 and of the performance for the year ended on that date; and

      ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

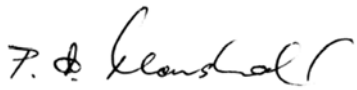
   b) there are reasonable grounds to believe that Oncology Research International Limited will be able to pay its debts as and when they become due and payable.

2. The consolidated financial statements comply with International Financial Reporting Standards.

The company and a wholly owned subsidiary, Oncology Research Associates Pty Ltd, have entered into a deed of cross guarantee as described in Note 16 under which the company and its subsidiary guarantee the debts of each other.

At the date of this declaration there are reasonable grounds to believe that the companies which are party to the deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed.

Signed in accordance with a resolution of the directors:



Director _____
P A Marshall

Director _____
K M Wayte

Dated this 28th day of September 2017

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10 Kings Park Road
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Independent Auditor's Report
To the Members of Oncology Research International Limited

Auditor's Opinion

We have audited the financial report of Oncology Research International Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration of and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report of Oncology Research International Limited is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements which indicates that the entity incurred a loss of $64,013 and cash outflows from operating activities of $296,378 for the year ended 30 June 2017. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our report is not modified in respect of this matter.

Information other than the Financial Report and Auditor's Report

The Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner - Audit & Assurance

Perth, 28 September 2017