ADVANCED
ONCOTHERAPY

Annual Report 2015

Advancing cancer treatment with
innovative, cost effective technology

CONTENTS

STRATEGIC REPORT

GOVERNANCE

FINANCIALS

WHO WE ARE

Our focus is to develop technologies to maximise the destructive effect of radiation on tumours whilst minimising damage to healthy tissues. Our goal is to help healthcare providers and hospitals expand their repertoire of treatments to ensure clinicians and patients have choices. Our aim is to deliver cost-effectively the next generation of proton therapy which is clinically superior to the currently available alternative radiation therapies.

Advanced Oncotherapy plc ("Advanced Oncotherapy" or "the Company") has its head office in London, UK and its subsidiary ADAM S.A.'s ("ADAM") R&D facility located in Geneva, Switzerland.

OUR VALUES

We are guided by six core values. We strive to ensure that these values permeate throughout our work and organisation and our relationships every day.

INTEGRITY
We choose the right path, not the easy path. We promote a "just culture" environment that requires each of us to do the right thing to ensure patient safety. We do what is best for our patients and our community, every moment of every day. Integrity guides us to passionately engage in our work, step up to every challenge and conduct our business with transparency.

SINCERITY
We believe it will be our sincerity and openness, combined with our own expertise that paves the way to innovations that really matter and help patients. Inside our Company, openness is the key source of change and progress. It pays to question day-to-day routines, share knowledge and find creative, new approaches.

RELIABILITY AND ACCOUNTABILITY
We accept that we have a duty to act responsively and be accountable for all of our actions.

COMMITMENT
We are passionate about helping to shape the next generation of radiation therapies. We are intensely focused on serving our clients and patients. We do what we say we are going to do: we strive to fight cancer, improve the lives of our patients and create value for our shareholders.

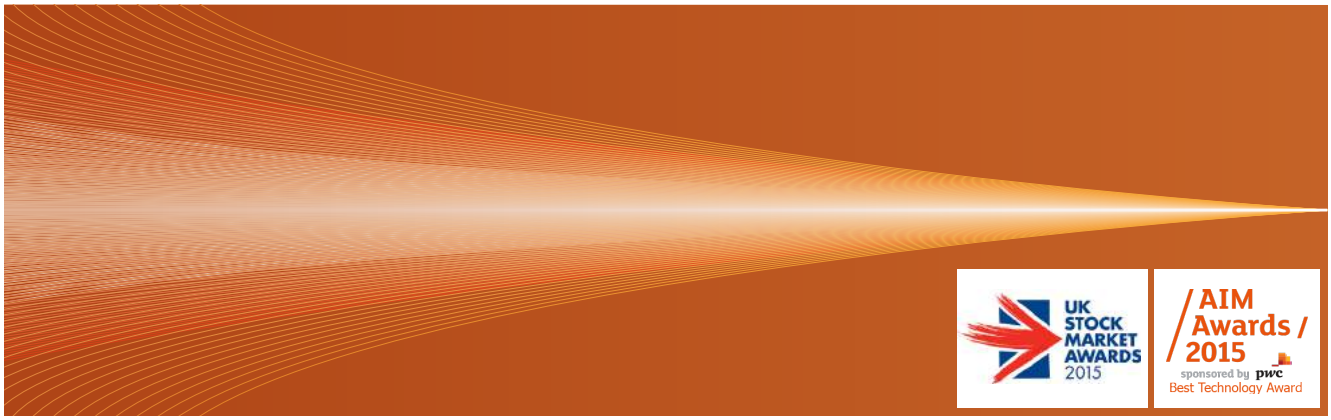
CONSISTENCY
We always seek the most solid foundation of evidence available in every practice we embrace. Our research is guided by innovation, best practice, rigour and accuracy.

COMPETENCE AND COLLABORATION
We work as one team, united by a common purpose. We work with key stakeholders, organisations and community groups who share our aim of defeating cancer. Recognising the value of bringing together diverse perspectives, we create an environment where new partnerships thrive, where barriers to freely sharing knowledge do not exist and where the right stakeholders are engaged from the very beginning.

OUR VISION AND MISSION

WHAT IS OUR VISION?
Our vision is to develop a more affordable proton-based radiotherapy system, using an innovative and clinically more effective technology, and saving many more cancer lives.

HOW DO WE TURN OUR VISION INTO REALITY?
Our mission is to commercialise our novel LIGHT technology by building on the success and scientific know-how of people with previous experience at CERN.



EXECUTIVE CHAIRMAN'S STATEMENT

Dr Michael Sinclair

INTRODUCTION

We are delighted to be able to report another year of significant progress in our aim of delivering the ground-breaking LIGHT (Linac for Image Guided Hadron Therapy) system, a next generation of proton therapy system for treating cancer. During 2015 we have delivered on all of the milestones that we have set out in our various shareholder communications. In the high technology environment in which we work, it is sometimes difficult to understand the complexities of our operations so we - as a management team - have taken the decision to provide as much technical knowledge as possible in our shareholder communications. Ultimately however, we remain a company dedicated to providing cancer patients with more effective and affordable therapy and by implication generating superior returns for our shareholders.

With that in mind, our strategy is to disrupt the business model associated with traditional proton radiotherapy equipment through delivering a cost effective proton therapy unit which can be installed in cancer treatment centres of excellence in conurbations worldwide, based on the LIBO (LInac BOoster) technology that has been developed at CERN.

OVERVIEW OF PROGRESS

During the year we have been successful in a number of key areas. Principal among these have been:

- progression on the development and testing of LIGHT elements;
- first sales and pipeline of commercial opportunities; and
- completion of significant financing round.

PROGRESSION ON THE DEVELOPMENT AND TESTING OF LIGHT ELEMENTS

Progress in the technical development of our first LIGHT systems has continued apace with the delivery of a number of components to the team at our facility in Geneva.

In January 2015, we were able to confirm that the first high-speed accelerator or Coupled Cavity Linac accelerating module ("CCL") was completed and delivered to our Geneva facility. Ten CCL modules are required by the LIGHT system to accelerate the protons to the energies needed to treat all radiosensitive tumours found in a typical clinical setting. In May 2015, this first unit successfully completed its first Radio Frequency Power testing. The second CCL was delivered to our testing facility in July 2015, alongside the Modulator and Klystron power units ready for high power testing. This commenced in August 2015 and was completed at full power in November 2015.

In May 2015 the first RF Power units, manufactured by ScandiNova Systems AB, were delivered to our facility for testing. RF power units generate the high-power needed to accelerate protons to energies whereby they can effectively target cancer cells. The LIGHT machine requires 12 RF Power units in total and we are now going through the process of testing multiple units together at full operational power.

In early July 2015 we were able to initiate our first tests on the Side Coupled Drift Tube Linac ("SCDTL") module. The SCDTLs sit between the Radio Frequency Quadrupole ("RFQ"), which first accelerates the protons to 5MeV, and the CCLs. When combined, the four SCDTL modules will accelerate protons from 5MeV to 37.5MeV. We have been pleased with the results achieved so far.

We are delighted that we have had the support of suppliers who have delivered to schedule, or even ahead of schedule, which has enabled us to complete this phase of the testing both successfully and on time.

FIRST SALE AND PIPELINE OF COMMERCIAL OPPORTUNITIES

The advantages of proton therapy over conventional radiation therapy have been increasingly demonstrated over the years in a number of target cancers which are difficult to reach or closely associated with sensitive structures such as the brain and spinal cord. The unique way in which the proton beam travels through tissue means that only a small amount of energy is delivered along the path to the cancer and that most of the dose is delivered precisely in the cancerous tissue being targeted. As a result, proton therapy overcomes one of the major limitations associated with conventional radiotherapy, that of irradiating healthy tissue leading to unwanted side effects, such as secondary tumours.

However, proton technology to date has been very expensive to install requiring a very significant footprint for the equipment that generates the proton beam and the treatment rooms required. As a result there are only 54 facilities in the world providing proton therapy treatment at present. These facilities cost up to $200 million, and each clinical treatment radiotherapy course costing up to $100,000.

We believe that our ground-breaking LIGHT system will significantly change the current market dynamic for proton therapy, enabling more machines to be installed, more patients to be treated, and ultimately creating significant value for our shareholders as LIGHT becomes 'best practice' for proton therapy.

During 2015, we made a number of significant announcements regarding the building and installation of our first LIGHT system and further commercial sales. One of the most important was our agreement in January 2015 with Howard de Walden Estates to lease 141 and 143 Harley Street, London. Harley Street is the most prestigious medical address in the UK and recognised globally as a centre for medical excellence. The properties comprise approximately 11,800 sq ft, which is sufficient to house the LIGHT system and treatment rooms as well as other services required for a fully functional clinic. This will become the UK's first Proton Therapy Centre using the LIGHT system. The total cost of the redevelopment will be borne by our partner, Howard de Walden Estates and is estimated at £7 million, which is considerably less expensive than the building costs associated with the comparable units being considered by the UK NHS.

In October 2015 we signed a joint venture agreement with Circle Health to operate the Company's proton beam cancer therapy centre in Harley Street. Discussions are also ongoing surrounding an agreement to supply a LIGHT system alongside Circle Health's planned new-build hospital in Birmingham. Circle Health has around 2,000 partners. It runs private hospitals in Bath and Reading, an NHS Treatment Centre in Nottingham, and an NHS whole-population contract for musculoskeletal care in Bedfordshire. Circle Health will take responsibility for all operational and clinical matters at the facility as well as the additional procurement, fit-out and facility testing requirements needed for full commissioning and beyond the testing required during the technical development of the system. Circle Health will also take responsibility for insurance provision for the centre.

During the year we were also able to announce two further commercial sales of the LIGHT proton therapy system in China through our partnership with Sinophi Healthcare Limited ("Sinophi"). Sinophi is a UK company investing in and managing public general and specialty hospitals in China, providing them with the best and

most affordable technology to improve patient outcomes.

In October 2015, we received a $75/80 million purchase order from the China-Japan Union Hospital of Jilin University, through our partnership with Sinophi. The China-Japan Union Hospital is one of the largest hospitals in North-East China with over 3,300 beds and is located in Changchun, Jilin Province. The purchase order relates to a single LIGHT system to be installed at the heart of a five treatment room facility.

This is the second commercial sale of the Company's next-generation proton therapy system in China and follows the announcement in March 2015 that the Company's LIGHT system will be installed as part of Sinophi's oncology hospital project in Huai'an City, in Jiangsu province, East China.

COMPLETION OF SIGNIFICANT FINANCING ROUND

The Company is well resourced following an oversubscribed £21 million equity funding in May 2015. The money raised has funded the manufacture and testing of the various components that make up the LIGHT system which is being assembled at the ADAM facility in Geneva. The funding also supports our first commercial site in the UK at 141-143 Harley Street London. This site is being developed in conjunction with the owners, Howard de Walden Estates, and Circle Health who will run the facility once it is completed. The balance is being allocated to general working capital.

In May 2016, we also secured a £24 million Vendor financing agreement with Metric Capital, a pan-European private capital fund manager. This means that the purchase cost of the LIGHT machine and funding for the operations related to our Harley Street project are all in place. Vendor financing has become standard practice in the Proton Therapy Sector and this forms an essential part of our financial strategy, giving us greater confidence to secure new purchase orders and enhancing our returns.

During the year there was an additional cash benefit to the Company from the sale of our property in Southampton for £290,000 which has been available for further development.

In addition, Oncotherapy Resources Ltd, our subsidiary focused on distributing an innovative brachytherapy device, was disposed of for a total of £100,000 of which £75,000 was received in the period.

Progress continues on the sale of our property in Folkestone, the proceeds of which will be used to partially offset against the loan on the property.

PEOPLE

We made a number of senior management changes and appointments during the year. These were all focused on creating a commercially focussed business. In November 2015, we appointed Professor Steve Myers OBE, former Director of Accelerators and Technology at CERN, as Executive Chairman of Advanced Oncotherapy's fully owned subsidiary ADAM. He is internationally recognised for his engineering contributions and leadership in the development of CERN's particle colliders over the past 40 years, including the Intersecting Storage Ring Accelerator, the Large Electron-Positron collider and the Large Hadron Collider.

In February 2016, we decided to realign the roles and responsibilities of the Executive team to add additional focus to both operational functions and ongoing sales and business development. For this reason, I became the Chief Executive Officer and Executive Chairman; Sanjeev Pandya, former Chief Executive Officer, became Executive Vice President for Global Business Development. Nicolas Serandour, the Chief Financial Officer, became Chief Operating and Financial Officer. These changes were important and followed the agreement with Thales S.A. ("Thales") which marked a shift in the business from just focussing on the development of the first LIGHT system, to the ongoing commercial roll-out of the game-changing technology. The future commercial development of the business will be critical to the long-term success and value creation within the Company.

In March 2016 we also announced that Michel Baelen, who was previously Health Policy Compliance Director and Head of Regulatory Affairs and Quality Assurance of the proton therapy-based company IBA for over 19 years, and Dr. Gerardo d'Auria, who has more than 30 years of experience working with RF systems and linear accelerators, had joined the Company as Head of Regulatory Affairs and Technical Director.

Investing in our people is the most important investment we make in the future of our business. The development, motivation and well-being of staff is vital to the success of Advanced Oncotherapy, and their dedication, professionalism, knowledge and enthusiasm is always of the highest standard. On behalf of all our stakeholders, we would like to thank all our employees for their hard work and their contribution to the Company's success during a year in which Advanced Oncotherapy once again demonstrated its ability to meet its objectives whilst constantly striving for innovation. We look forward to their continued support as we enter what promises to be a transformational period for the Company.

SHARE CONSOLIDATION

The Company currently has 1,418,342,375 ordinary shares in issue and we will be seeking approval from shareholders at the upcoming Annual General Meeting to reduce this number through a consolidation of every 25 existing ordinary shares into one new consolidated ordinary share. We believe this will lead to the Company having a more readily understood share price and number of shares in issue. Further details of this are set out in the Directors Report and notice of Annual General Meeting.

OUTLOOK FOR 2016

The strong momentum we have seen in 2015 has continued into 2016. We have had a strong start to 2016. In February we announced that we had entered into an industrialisation agreement with Thales, for our proprietary LIGHT system. Thales is a well-established major precision engineering company with a business model focused on safety and security. The company also manufactures high RF energy equipment including klystrons, electron tubes, amplifiers and X-ray detectors, as well as synchrotrons, accelerators and advanced medical imaging equipment. Thales will offer Advanced Oncotherapy access to its unique execution and engineering skills to manage the transition from prototype to a series production manufacturing line, as well as cost reduction capabilities.

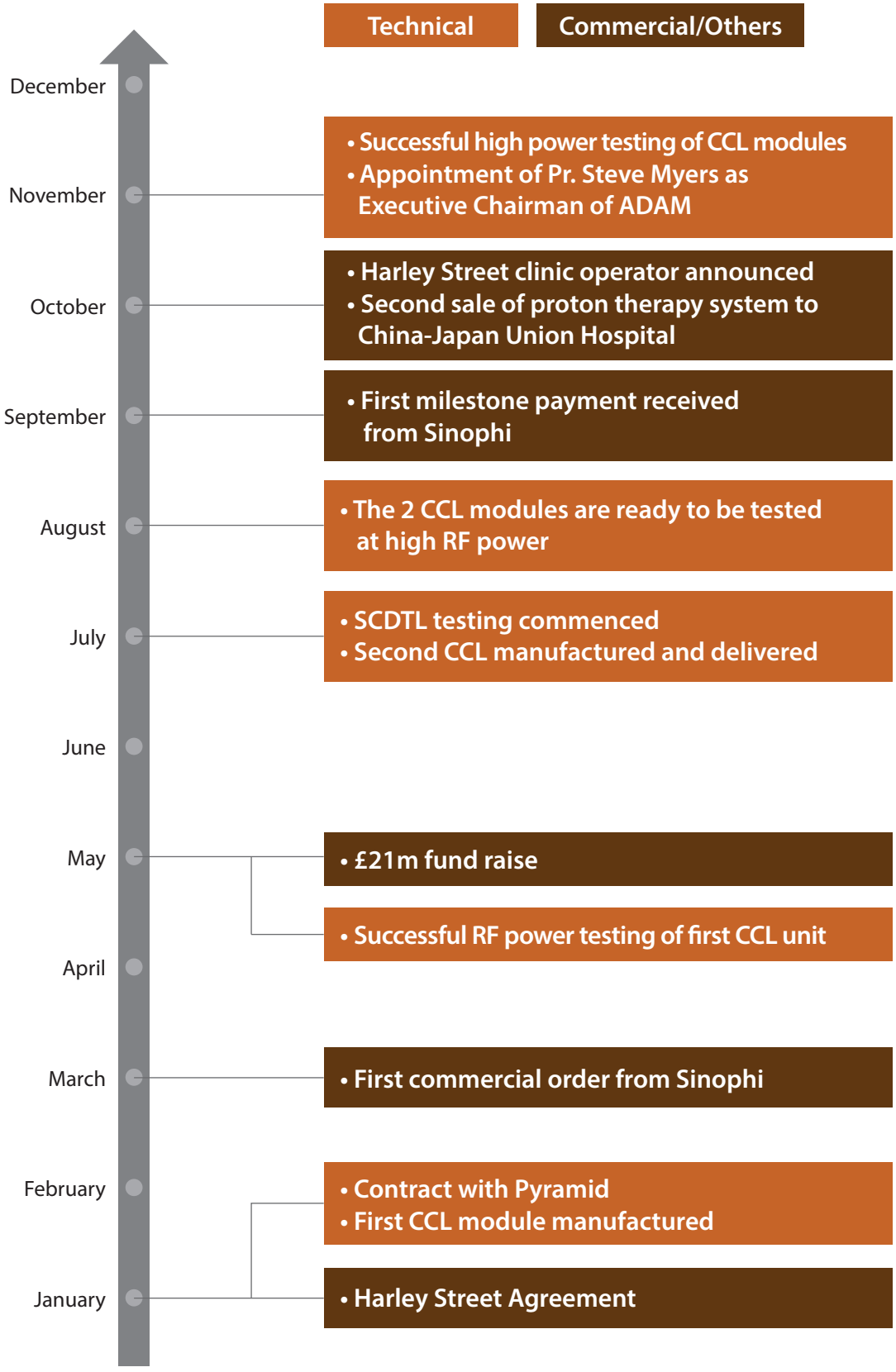
As part of the agreement, Thales will undertake the initial engineering studies and test facilities commissioning required to construct the custom-designed series production line. The cost of these Activities will be initially funded by Advanced Oncotherapy and then recovered through the retention of 100% of the gross margin on the initial LIGHT machines produced. In addition, in the future Thales intends to organise the series production so as to drive down costs, whilst operating under an appropriate quality framework.

As 2016 develops and we build on the significant progress that we made in 2015, our priorities are to continue the testing and integration of the components of the LIGHT machine to ensure compliance with the associated regulatory requirements resulting in the initial successful installation into the UK. In addition, we will pursue the commercial roll-out of the technology through our existing partners and forge relationships in new territories to further expand our reach.

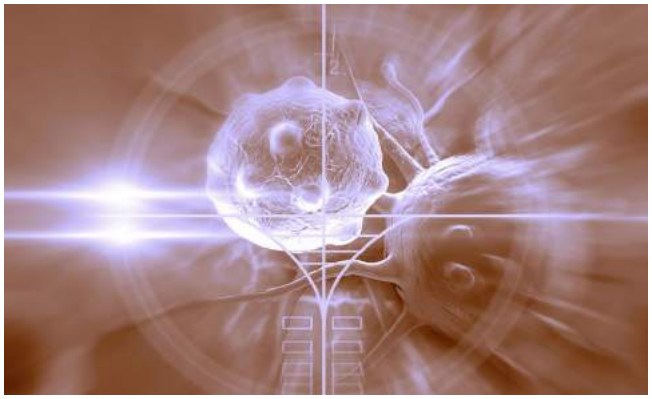
We would like to thank all of our stakeholders for their continued support this year and we look forward to a new year of growth and development.

Dr Michael Sinclair
Chief Executive Officer and Executive Chairman

2015 NEWS FLOW



OVERVIEW OF THE CANCER MARKET AND ITS KEY DYNAMICS



Cancer is a leading cause of death and generates among the highest costs to healthcare systems around the globe. According to the World Cancer Report, published by the World Health Organisation ("WHO"), over 14 million new cases of cancer (excluding non-melanoma skin cancers) and over eight million cancer deaths occurred globally. The WHO further estimated the annual global financial cost of cancer in excess of one trillion dollars. This financial cost includes direct costs such as the expenditures for treatment, as well as the cost of care and rehabilitation related to the illness but also indirect costs such as the loss of economic output due to missed work (morbidity costs) and premature death (mortality costs). There are also hidden costs of cancer, such as health insurance premiums and non-medical expenses (transportation, child or elder care, house-keeping assistance, wigs, etc.). The cost and recurrence are expected to rise steadily given the ever aging population worldwide.

In its simplest terms, cancer is uncontrolled cell growth. It starts when cells, for genetic, environmental (e.g., sun exposure), life-style (smoking, diet) or even unknown factors, become abnormal and grow out of control. Some cancers, like leukemias and lymphomas, affect the blood stream and blood-forming organs, while other cancers invade normal tissues and can spread throughout the body.

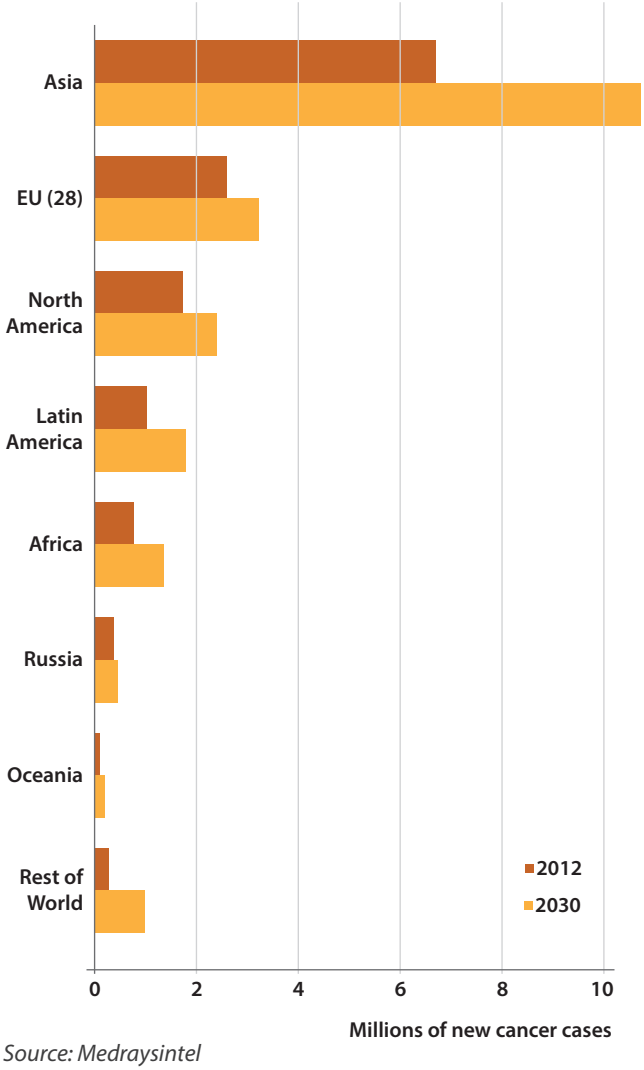
There are over 100 forms of cancer, each with its own biological and life-altering characteristics. Treatment often requires multiple rounds of various combination therapies — surgery, medication and radiotherapy — to modify disease progression, sometimes increasing life expectancy by only a matter of months.

Given the complexity of the disease, it is unlikely that we will ever find a "golden bullet" that cures cancer; however, scientific progress in both diagnosis and treatment has led to a better outlook for cancer patients over the past few decades. According to the American Cancer Society, the 5-year survival rate for all cancers diagnosed increased to circa 70%, up from circa 50% in the seventies. In that context, professionals are beginning to work towards cancer being a chronic, manageable disease. As a result, companies are re-aligning their efforts into delivering new treatments with reduced side effects and a limited impact on the quality of life for patients.

All of this creates immense challenges for health services. While in 2025 more patients will benefit from better diagnosis and new treatments, technology will also bring greater inequality to the health sector. This is despite the increased level of scrutiny by payers regarding the cost effectiveness of treatments. It is unrealistic to assume that the best care possible will be offered to all patients irrespective of their socioeconomic circumstances. Well-informed patients, with adequate funds, will ensure that they have rapid access to the newest and best treatments. Many of these will take place close to patients' homes using mechanisms devised by innovative service providers.

The challenge to make best technologies affordable to a majority of patients is therefore enormous. This requires a greater social responsibility from all stakeholders, starting from pharmaceutical and medical devices companies which need to make cost issues a more central axiom of their business model.

With that in mind, the Company's vision is to develop a more affordable proton-based radiotherapy system, using an innovative and clinically more effective technology, and saving many more cancer lives.



Source: Medraysintel

CHINESE CANCER MARKET

There were 4.3 million new cancer cases and more than 2.8 million cancer deaths in China in 2015.

With increasing incidence and mortality, cancer is the leading cause of death in China and is a major public health problem. The size of the cancer treatment challenge in China and the opportunity for Advanced Oncotherapy and its partner Sinophi is illustrated by the following data and statistics:

- **almost 12,000 new cancer diagnoses each day;**
- **about 2.8 million Chinese died from cancer in 2015, corresponding to over 7,500 cancer deaths on average per day;**
- **the mortality rates since 2006 have decreased significantly (21% per year);**
- **despite this favorable trend, the number of cancer deaths substantially increased (74% increase) during the corresponding period because of the ageing and growth of the population;**
- **only 15% of cancer patients in China receive radiotherapy while the international norm is 50-60%;**
- **5-year survival rates are currently 31% in China and 68% in the USA; and**
- **as of 2014, there was only 1 proton beam therapy centre in China, while there were 16 proton centres in operation in the USA.**

Source: World Health Organisation "World Cancer Report"; Deloitte "Health care outlook China" (2015).

During the state visit of China's president Xi Jinping to the UK in October 2015, Advanced Oncotherapy and its partner Sinophi announced the sale of a second LIGHT system in China as well as four additional framework agreements.

ADVANCED ONCOTHERAPY

信诺医疗 SINOPHI HEALTHCARE

President Xi Jinping meeting with Sinophi Chairman Simon MacKinnon and Sinophi COO Gong Yongqiang

Professor Zhao GuoQing, President of the China-Japan Union Hospital of Jilin University, signing the agreement to purchase a LIGHT system with Sinophi CEO Dr Hanif Kanji with UK Minister of State for Life Sciences Mr George Freeman MP looking on

WHAT IS PROTON THERAPY?

OVERVIEW OF PROTON THERAPY

Proton therapy is a type of treatment that uses an external beam of radiation to kill cancerous cells. Traditional forms of radiation such as X-rays can destroy many types of cancer when given at higher enough doses. However they are difficult to control. Because of this, much of their energy is spent entering the body. Radiation is deposited in normal tissues that surrounds the targeted tumour and passes beyond the tumour through the body. This lack of precision causes radiation to damage healthy tissues, sometimes so much so that an adequate dose can not be delivered to the tumour. Long-term side effects also include drop of Intellectual Quotient ("IQ") or occurrence of secondary tumours.

On the other hand, protons - key constituents of matter - can be controlled in both width and depth to deliver maximum energy at the tumour site. Very little radiation is wasted entering the body and the precision of protons prevents radiation from continuing beyond the tumour site. This level of control is unique to proton therapy and makes it superior to other forms of radiation such as Intensity Modulated Radiation Therapy ("IMRT") or Gamma Knife. To put it simply:

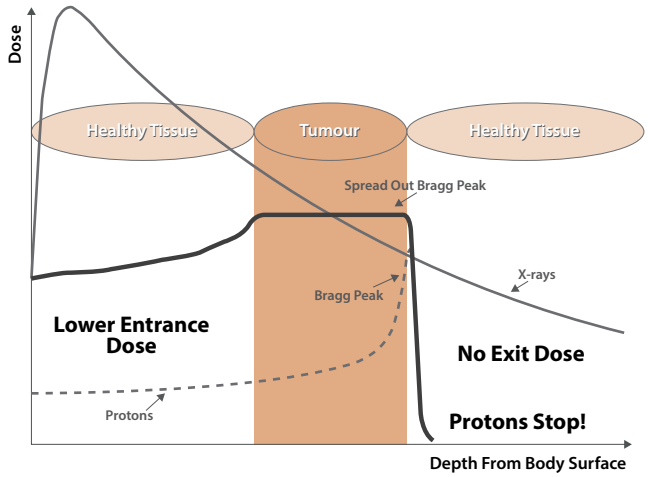
" Protons are like a bullet that can be made to stop where they kill tumours. You have to aim protons properly and then give them the right amount of energy, so that they stop in just the right place".

Proton therapy is also a type of conformal radiation therapy. Conformal means the beam can be shaped to match the targeted tumour. This enables the entire tumour to be treated but spares surrounding tissues.

Proton therapy treatments are also painless and patients are able to continue work and exercise while undergoing treatments.

BRAGG PEAK

The Bragg peak corresponds to the point at which protons deposit most of their energy. This point occurs at the ends of the protons' paths. By varying the beam's energy, radiation oncologists can spread this peak to match the contours of tumours or other targets.



Comparison of the Depth Dose Profiles of Proton and Photon Beam

KEY INDICATIONS

In principle, any tumour that can be irradiated using conventional X-ray radiation therapy can also be irradiated with protons.

However - and largely because of the prohibitive treatment costs - proton therapy has been historically mainly targeted at small well defined contiguous targets (corresponding to 20/30% of all radiation treatment) as well as tumours surrounded by critical structures or for which other treatments are not very effective such as the base of skull tumour, eye melanoma, brain tumour, paediatric tumour, spinal and para-spinal tumour or prostate cancer.

The development of pencil beam scanning allowed a better dose distribution and hence opened up significant opportunities to treat a wider range of tumours (corresponding to 80% of all radiation treatments). It is now possible to treat tumours in the lung, liver, breast, oesophagus, pelvis, etc. or re-irradiate recurrent tumours.

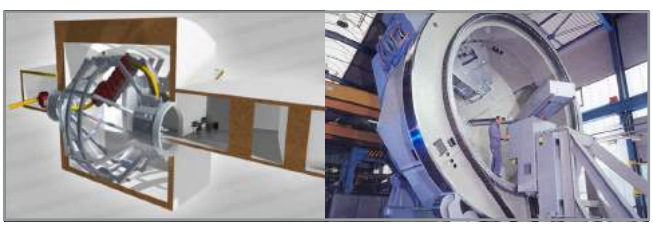
As growing tissues are more sensitive to radiation, proton therapy has also become an ideal tool for substituting radiation therapy in childhood cancers. Decreased risk of secondary malignancies also justifies the use of proton therapy in children.

THE PROTON THERAPY MARKET IS CONSTRAINED BY PRICE

Despite its clinical benefits , access to proton therapy is limited - just 1% of eligible cancer patients will receive proton therapy treatment. There are only 54 proton centres worldwide. In comparison, there are more than 8,000 centres with conventional X-ray systems.

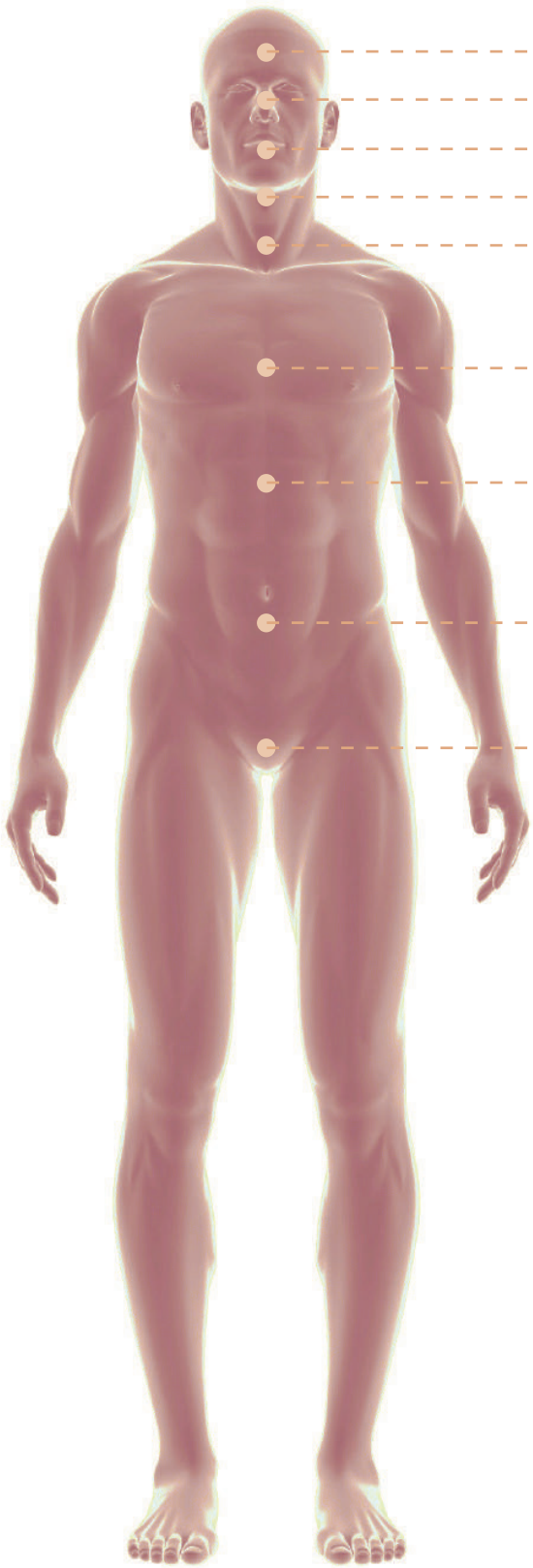
Although the market has several drivers, the global proton therapy market is inhibited by some serious challenges. One of the main challenges in the market is the high cost of proton therapy treatment. First generation proton centres cost up to $200 million to construct and featured 4+ treatment rooms in an attempt to achieve a sustainable Return On Investment ("ROI"). Despite numerous benefits, the high cost hinders acceptability among patients. Many hospitals and by implications payers and patients do not have the required budget for investing in high-cost treatment options. The industry has tried to improve proton ROI by designing compact, single-room more affordable solutions. These have gained some momentum, but still do not produce a compelling enough ROI for proton therapy to overtake traditional radiation therapy as the industry standard. The cost of building proton centres is driven by two components:

1. proton accelerators that create the proton beam for one or multiple rooms; and
2. rotating gantries: A 3-story, 200 ton magnetised gantry per room to provide multiple treatment angles. Proton gantries are much larger than X-Ray gantries and cannot be installed into previously built oncology centres without major construction. Treatment rooms with gantries require 3-metre thick concrete walls for radiation shielding.



Current proton centre layout features a large, expensive gantry which drives both the equipment and construction costs to build a proton centre

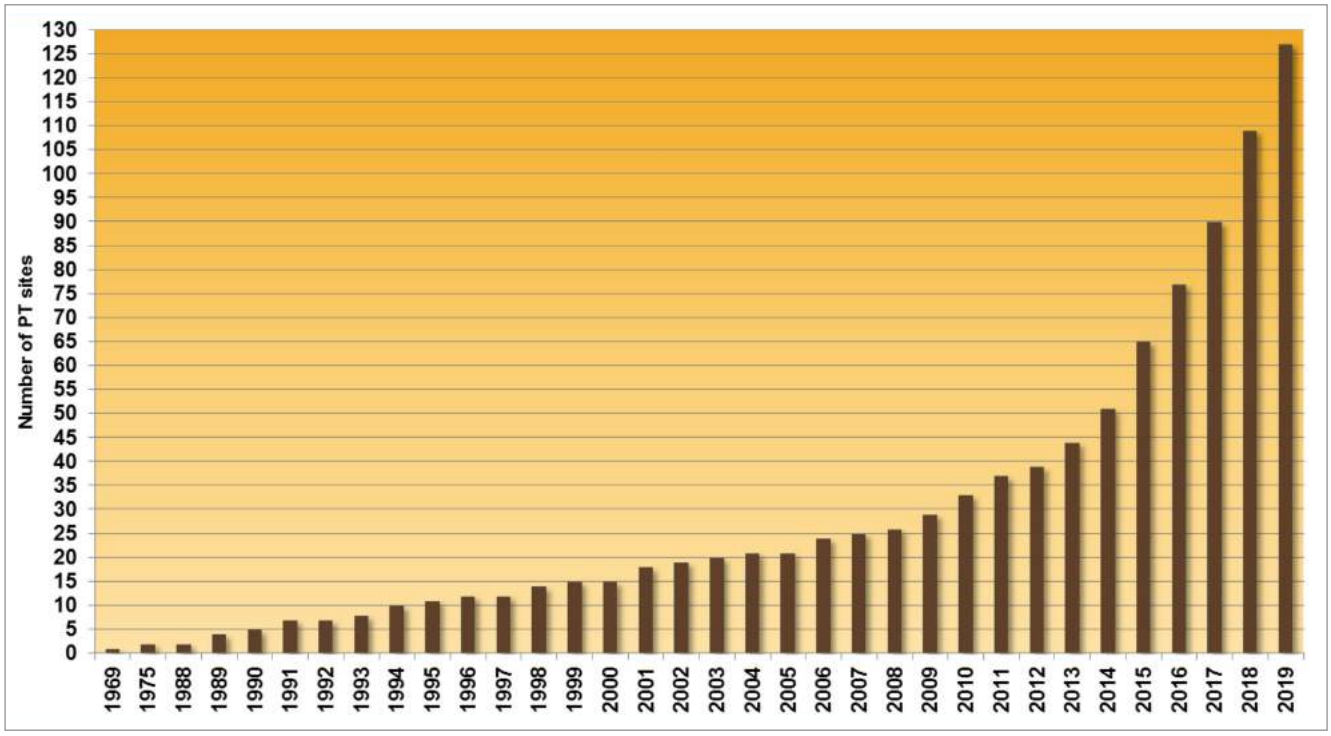
KEY INDICATIONS TARGETED BY PROTON THERAPY



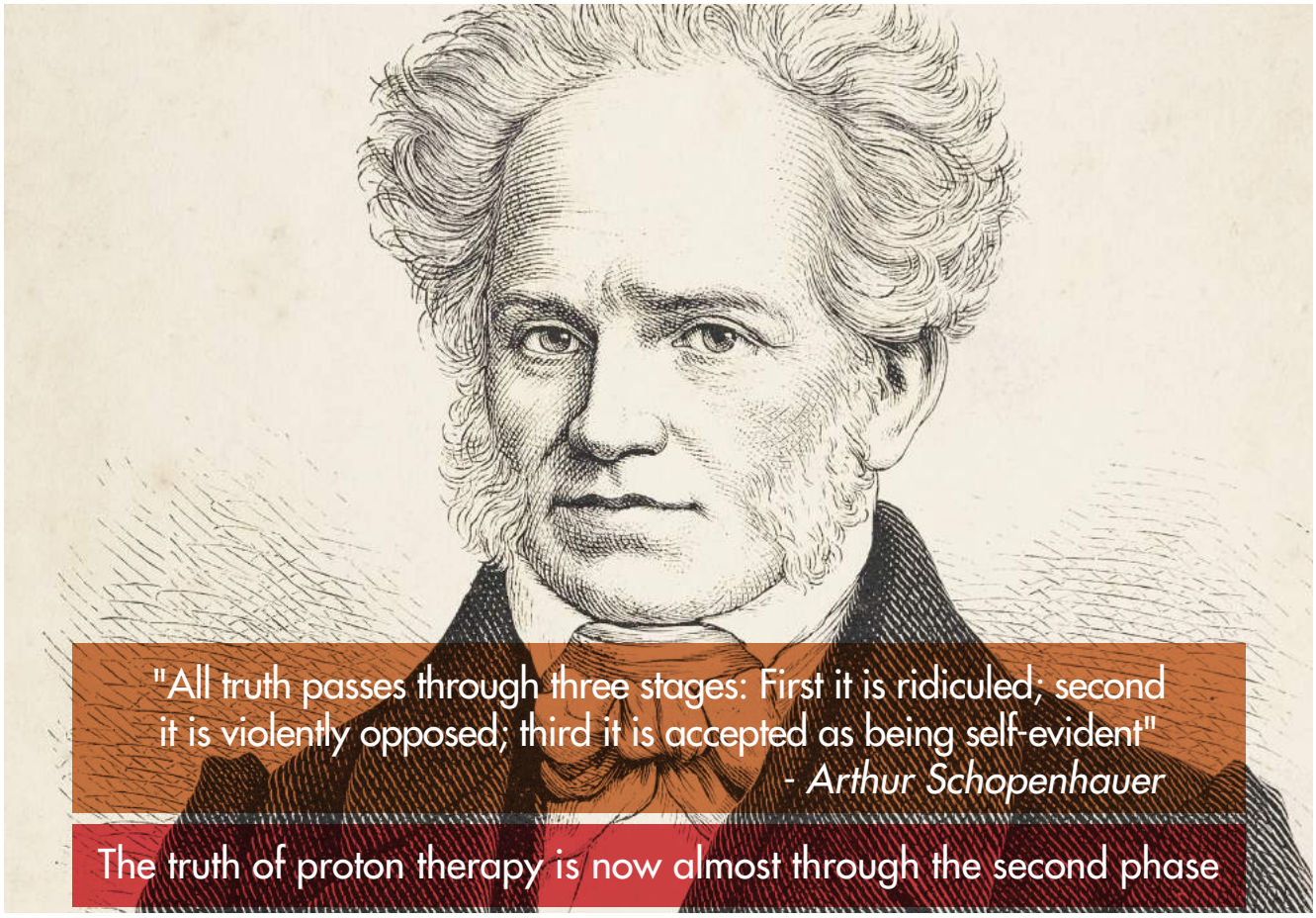
- Brain
- Eye
- Juxtaspinal Cord
- Head & Neck
- Oesophagus
- Lung
  Breast
- Liver & Gastrointestinal
  Hepatocellular Carcinoma
  Pancreas
- Spinal & Pelvic Sarcomas
  Colon
- Prostate
  Bladder
  Uterine Cancers (including cervix and corpus)
  Rectal and anal
- Lymphomas
  Paediatric Cancers

Proton therapy works for any radio-sensitive tumours and is particularly suitable for tumours that are hard-to-treat or not accessible to irradiation because they are too close to vital organs. Childhood cancers are also primary targets of proton therapy.

PROTON THERAPY – ON THE CUSP OF A STEEPENING ADOPTION CURVE



Cumulative number of Proton Therapy sites, 1969-2019 (Medraysintel report)



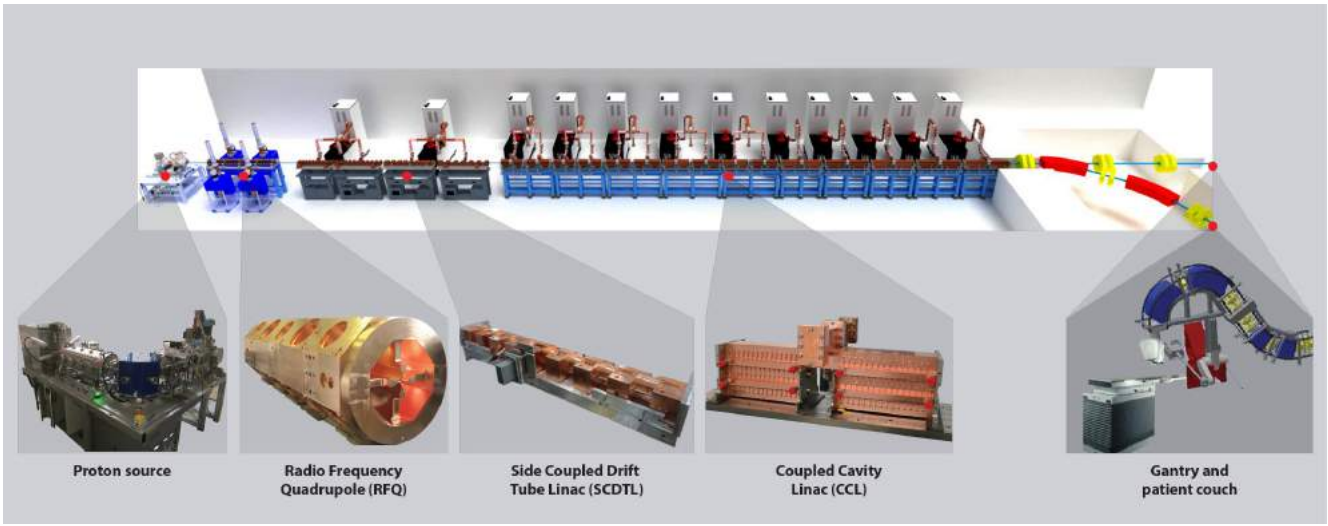
OVERVIEW OF THE LIGHT SYSTEM – KEY HIGHLIGHTS

APPROACH FOCUSED ON PROTON THERAPY THROUGH OUR LIGHT SYSTEM

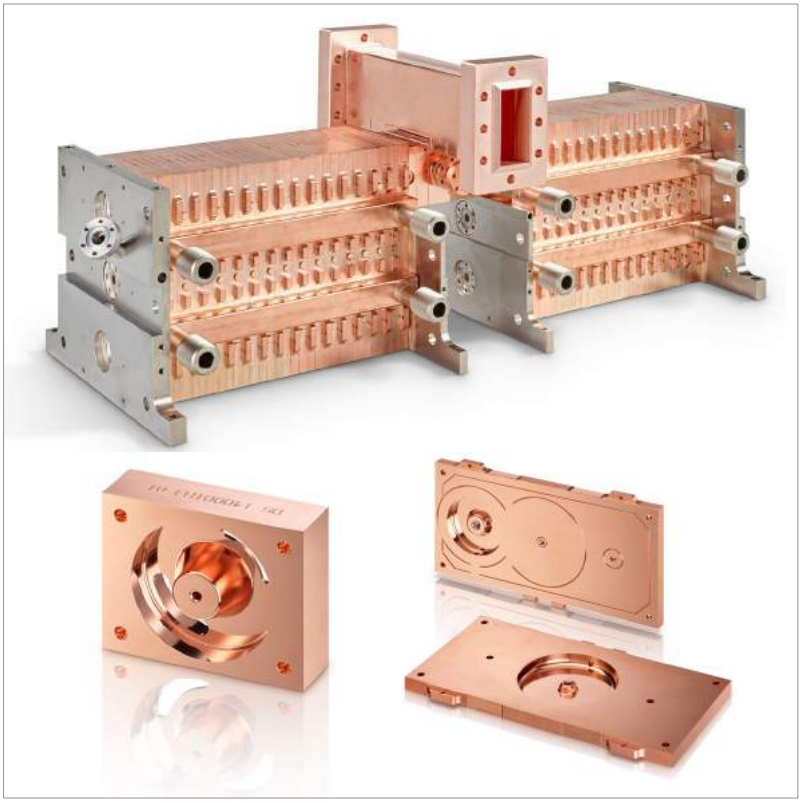
LIGHT is the acronym for Advanced Oncotherapy's Linac Image Guided Hadron Technology. This next generation of proprietary particle therapy systems harnesses the best in modern technology and is the key focus of the Company. LIGHT is a direct medical application of the high energy particle physics research by ADAM (now a fully owned subsidiary of the Company).

A TRULY NOVEL ACCELERATOR....

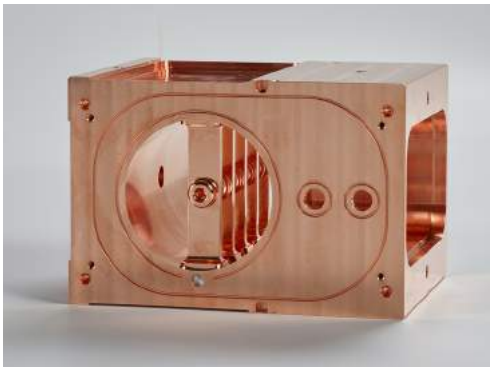
The LIGHT system uses innovative linear accelerators and hence does not require a cyclotron nor a synchrotron to accelerate the protons to the high energy levels needed. This means that neither the massive infrastructure nor the extensive shielding associated with older and current forms of protons accelerators are required.



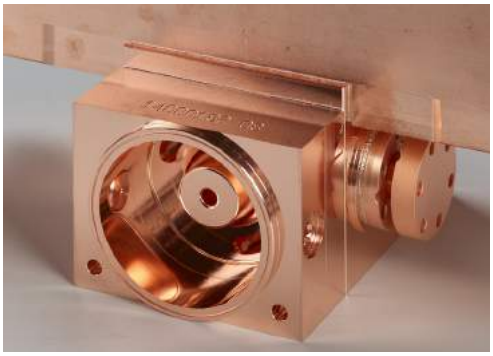
LIGHT System illustration



CCL Module 3 complete, CCL Bridge coupler part DS, CCL half cell plate



SCDTL tank 4 with stems



Bridge coupler CCL module

OVERVIEW OF THE LIGHT SYSTEM – KEY HIGHLIGHTS - Continued

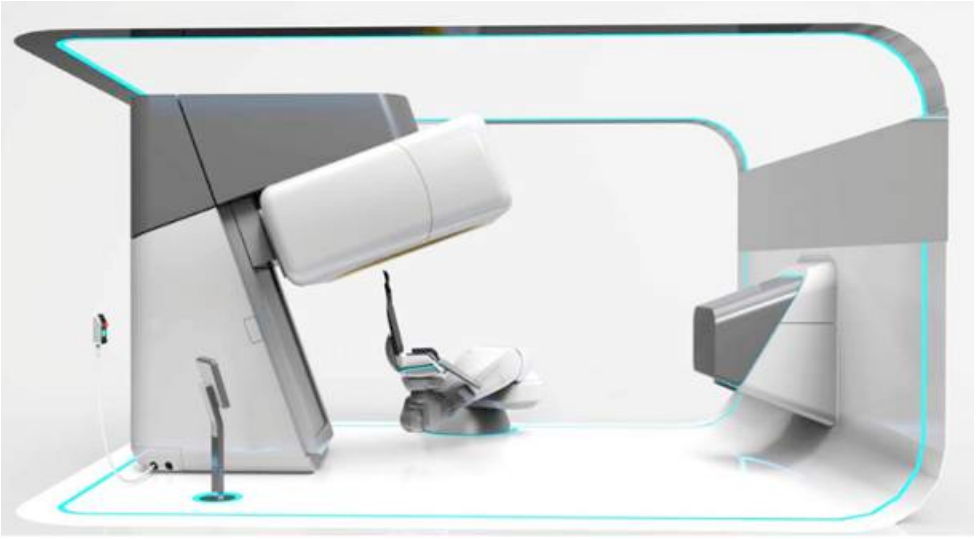
... INTEGRATED WITH A FULLY FUNCTIONAL TREATMENT ROOM SYSTEM

The LIGHT Proton Therapy Solution ("L-PTS") is the first proton radiotherapy product that provides its functionality through a set of customisable services for the management and the implementation of a patient proton treatment course. The L-PTS is the first fully integrated proton planning and delivery system.

L-PTS is an all in one solution, not a component, i.e. a "black box" and does not require the use of other additional radiotherapy services provided by, for example, an "oncology information system."

The main software components of the system are the LIGHT Facility Management System ("L-FMS") and the LIGHT Treatment session manager ("L-TSM"). The L-FMS manages the data and the workflow in the clinic. The L-TSM manages the workflow of the treatment. This is done through the use of state-of-the-art and industry standard communication protocols. The integration is such that the clinical user will be working with one user interface where the L-TSM software will take of the communication with the nozzle system and the patient positioning and imaging system.

Besides these AVO software components the L-PTS will be using commercial off-the-shelf software components that are updated to support state of the art and industry standard communication protocols. The treatment planning system will be augmented with a module that optimises the treatment planning for the unique features offered by the LIGHT beam production system.



Set up treatment room

Prepare imaging (TSM screen)

Dashboard screen

OVERVIEW OF THE LIGHT SYSTEM – KEY BENEFITS

The clinician's view

- First linear accelerator used in proton radiotherapy
- Optimal delivery of radiation in the patient under all circumstances
- Fast energy switching (200 times per second)
- Efficient mitigation strategies in target motion control and adaptive treatment delivery
- Software technologies that address every part of the workflow
- Efficient workflow management, electronic data and procedure management

The engineer's view

- 230MeV using a linear accelerator
- Technology is now mature; little risk since it uses tested technologies for the Linac and treatment room
- Lower induced radiation allowing significantly less shielding
- Modular design system providing ease of mechanical installation

The financial view

- The opportunity to tap a market with significant unmet medical needs requires a disruptive technology
- System allowing to treat patients closer to where they live and at an affordable cost...
- ... including reduced upfront costs (equipment, reduced radiation shielding, lower end-of-life dismantling costs) and running costs
- Modular nature of the LIGHT system offering increased flexibility for installation in existing buildings, without resulting in significant building cost
- A vision focused on making proton therapy treatments at or below the current cost of conventional radiotherapy

OVERVIEW OF THE LIGHT SYSTEM – THE CLINICIAN'S VIEW

Dr Hanne Kooy, PhD
Senior clinical product consultant and chairman of the Medical Advisory Board

TELL US MORE ABOUT YOU

I am the senior clinical product consultant for Advanced Oncotherapy and I am responsible for creating the LIGHT proton therapy solution. I have over 15 years of experience in the development and clinical use of proton radiotherapy technologies that cover the gamut required to ensure their effective clinical use. I have brought together an outstanding team of sub-vendors, each of which is "best-of-class" in their respective disciplines to complete the full complement of services required for proton radiotherapy. My interest in the Company arises from my primary ambition to promote effective proton radiotherapy in terms of clinical use and operational cost. I am, in particular, very excited about the opportunities afforded by not only the LIGHT accelerator but first and foremost by the outstanding quality of individuals involved in all aspects of the product.

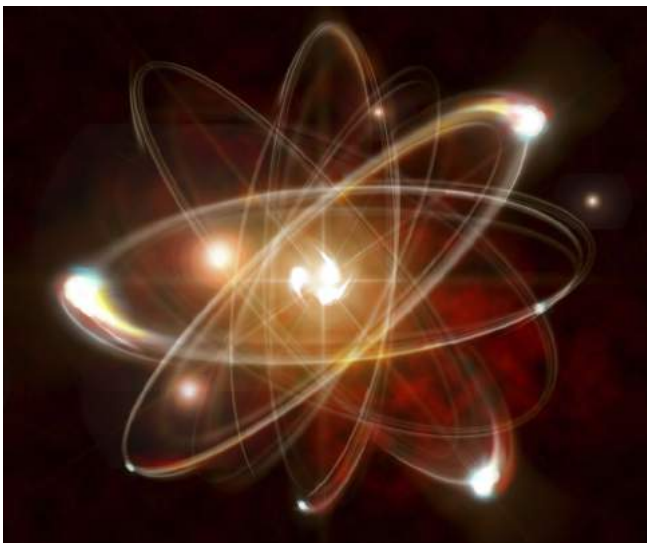
WHAT IS EXCITING ABOUT LIGHT?

The LIGHT accelerator aims to be the first linear accelerator used in proton radiotherapy. LIGHT is the brain-child of Professor Amaldi - senior advisor to the Company - who envisioned its features to allow optimal delivery of radiation in the patient under all circumstances. LIGHT, itself, is an exciting new technology that especially enables the use of variable energy. Fast energy switching (at 200 Hz for LIGHT), hitherto, has been very much constrained in existing offerings with concomitant limitations on the delivery. The LIGHT accelerator therefore adds a new degree of freedom, that of fast energy switching, which has been artificially constrained in competing accelerator technologies. We aim to utilise this additional new degree of freedom in effective and efficient mitigation strategies in target motion control and adaptive treatment delivery.

LIGHT, however, must be considered as one element in the whole product where one weak link would affect total performance for the user. Therefore, the LIGHT solution and its integration with all the other product elements as a whole is specified as a single unit of operation where technical requirements and implementation are optimised to deliver a seamless product. We have introduced software technologies that address every part of the workflow based on the latest communication and inter-operability standards. Our aim is to provide the user with a holistic system where every operation is self-evident and that allows the user to concentrate on the patient. Finally, our integrated approach makes the LIGHT product future-proof and ready to address the challenges of modern radiotherapy. These challenges are technically characterised by efficient workflow management, electronic data and procedure management. These, in turn, enable the primary aims of adaptive treatment planning and treatment delivery.

WHAT'S NEXT?

The design and specifications for the LIGHT proton therapy solution is complete. Implementation of the various product elements is progressing satisfactorily. The highest priority is the delivery of a complete system to the London Harley Street facility. This facility is a two-room fully operational proton clinic that certainly will highlight the utility of the product. Subsequent installations will include new product features such as gantries for which we, depending on client preferences, anticipate some alternatives to optimise cost and clinical utility. As already stated, we aim to be future proof and disrupt the market by acting upon the central aims of modern radiotherapy, i.e. adaptive radiotherapy. In addition, our deep knowledge in accelerator technologies will allow us to also offer accelerators that can produce heavier ions such as Helium and Carbon.



AVO'S PENCIL BEAM SCANNING TECHNOLOGY

Pencil-beam scanning technology aims to rapidly vary the proton pencil-beam variables to control the dose within the patient inside a localised small volume in the target whilst avoiding and minimising dose to the surrounding volumes and tissues. The variables are the energy, intensity and location (deflection in the reference plane). A fourth static variable in competitors technologies is the spot size which, in fact, is the most critical parameter for avoiding dose outside the target as it determines (1) how rapidly the dose goes to sub-clinical outside the target and (2) how well one can vary the dose inside the target (see motion control example below). The energy variable in competing (non-linear) technologies is semi-static, i.e. it cannot be changed rapidly and is therefore kept constant as much as is possible.

Our technology allows us to vary the spot size and also creates a much smaller spot size a priori because the emittance of the beam from a LINAC is much smaller compared to other accelerating technologies. The smaller spot size is especially critical for superficial targets such as may present in the orbital region or other cranial and head-and-neck presentations. Our delivery system allows the treatment of such targets without the need of apertures, which require manual insertion on the part of the operator, to maintain the very sharp dose fall-off. Competing (non-linear) technology has spot sizes that increase as the energy decreases in exact contradiction to the clinical need.

Our LINAC design allows us to vary the spot energy within 1/200 of second compared to 1 second (at best) for competitors. This rapid change allows us to continuously adjust the delivery pattern such as may be required for adaptive treatment or motion control (see below).

Finally, we are able to deliver energies at the patient down to 30 MeV compared to 70 MeV for most competing systems. The inability to deliver energy down to 30 MeV requires the user to manually insert range-shifting material which is inconvenient, increases the treatment planning burden and is planning burden, which is sub-optimal given the promise of full automation.

A central aim of modern radiotherapy, and a necessity in proton radiotherapy, is adaptive radiotherapy. It is well known that the patient internal / external anatomy can change and that it can move during treatment. This requires the delivery system to (given appropriate imaging) respond immediately to the observed movement and adapt the delivery pattern accordingly. The unique ability to change the energy "at will" is a necessary degree of freedom in proton radiotherapy.

TRACKING TUMOUR IN MOTION

The high repetition rate (200 Hz), together with the capability of varying the proton beam energy in only 5 milliseconds, allows to apply to deep-seated solid tumours the Fast Adaptive Spot Scanning Therapy ("FASST") that characterises the LIGHT system, which is made of short units and a large enough number of modulator and klystron systems.

FASST can be described as "adaptive spot scanning of the moving tumour target with multi-painting and 4D feedback".

In this active dose delivery method, the tumour is subdivided in equal-range layers and each layer in treatment voxels, which have transverse dimensions tuneable between 5 mm and 15 mm (water-equivalent). By adjusting the output energy of the LINAC and the currents of two scanning magnets, placed upstream of the patient, the Bragg spot is directed – pulse after pulse – towards the centres of the voxels. An optimal spot scanning is possible because every 5 milliseconds the direction of the pencil beam and the deposition depth can be adjusted to correct in three dimensions any tumour movement detected by an appropriate imaging device. This is the meaning of the expression "4D feedback".

Moreover, the high repetition rate (200 Hz) implies that – in the 200-300 seconds of a standard treatment – each voxel is "visited" by the proton pencil beam many times. In practice, the distant voxels are targeted by the moving spot and visited at least ten times, while the voxels closer to the skin, being traversed by the protons reaching deeper voxels, are visited less frequently in such a way that each voxel sees protons at least ten times.

This multiple painting is obtained by covering the whole target by successive steps, a procedure that is technically called "volumetric multi-painting". By numerically simulating tens of treatment plans it has been shown that the number of visits is, on average, 3 times smaller than the number of voxels. This implies that for a large tumour, subdivided in 10,000 voxels, the number of visits for 10 paintings is about 35,000 so that, at 200 Hz, the treatment time is about 160 seconds.

Finally, the number of particles in each pulse is determined by the parameters of the proton source and the transport line connecting the source to the RFQ, which can be varied - as all the other beam parameters - every 5 milliseconds. This allows a non-uniform distribution of the dose within the target-volume and justifies the adjective "adaptive" because a dose higher than the average can be deposited in the sub-volumes that are more radio-resistant.

OVERVIEW OF THE LIGHT SYSTEM – THE ENGINEER'S VIEW

Professor Stephen Myers
ADAM Executive Chairman

TELL US MORE ABOUT YOU

I have had a long career in particle accelerators at CERN spanning the past four decades. From 1979 until 2000 I had many different responsibilities for the Large Electron Positron ("LEP") collider. Initially, I was part of a small team which designed the collider. In April 1983, during the design of LEP, I jointly wrote the first proposal for the construction of the Large Hadron Collider ("LHC"). For the LEP project, I was responsible for the construction of many of the crucial components as well as taking full responsibility for the installation, commissioning and exploitation of the collider. The 27km tunnel, now referred to as the LHC tunnel, was built to house LEP. At its time of construction, the LEP collider was the largest most expensive terrestrial experiment ever built, only later to be succeeded by the LHC.

Following successful operation for several years, an energy upgrade of LEP was approved and I was nominated as project leader. Operating at the new higher energies, LEP conducted an impressive physics programme until 2000 when the machine was dismantled to allow installation of the LHC.

In mid-September 2008, I was nominated Director of Accelerators and Technology by the CERN Council for a period of five years starting in January 2009. In this position, I had total responsibility for the operation, development, and exploitation of the whole accelerator complex (12 particle accelerators), with particular emphasis on the LHC and for the development of the new projects (Compact "CERN" Linear Collider "CLIC") and all accelerator technologies. Soon after my nomination, the LHC had a serious technical accident on September 19, 2008 which resulted in destruction and damage to the totality of the high tech components along 600 metres of the underground tunnel. Clearly my immediate priority was to direct the repair and renovation of the effected area, and to redesign the machine protection system to ensure that such an accident could never happen in future operation of the LHC. After 14 months of intensive work, the LHC repair was completed and a new protection system had been designed and tested.

The LHC came back with beam in record time in November 2009, and by July 4, 2012 had produced enough events to allow the two large LHC experiments (ATLAS and CMS) to discover the "Higgs" boson. This discovery resulted in the Nobel Prize for physics in 2013 to François Englert and Peter Higgs. In January 2014, following the termination of my five year mandate as CERN Director I was nominated as Head of the CERN Medical Applications Office. The mandate was to identify, make available, and foster the applicability of CERN's core technologies (accelerators, detectors, simulation, large scale computing and data handling) to the medical field.

The core activity of CERN is particle physics and clearly not medical applications. This meant that CERN would carry out technical research which could be used for medicine but would never actually build medical components. As a particle accelerator expert, I wanted to lead and direct the actual design, construction, commissioning and operation of a particle accelerator which treats cancer more effectively than conventional systems. For this reason, when offered the position as Executive Chairman of the CERN spin off company, ADAM (Accelerators and Detectors Application to Medicine), I accepted without hesitation. My role is to monitor, supervise and drive the overall technical and engineering aspects of ADAM activities, to scrutinise the technical projections and targets of ADAM and to regularly assess performance against those targets; and to review technical and engineering designs with particular regard to the overall design of the accelerator.

WHAT IS EXCITING ABOUT LIGHT?

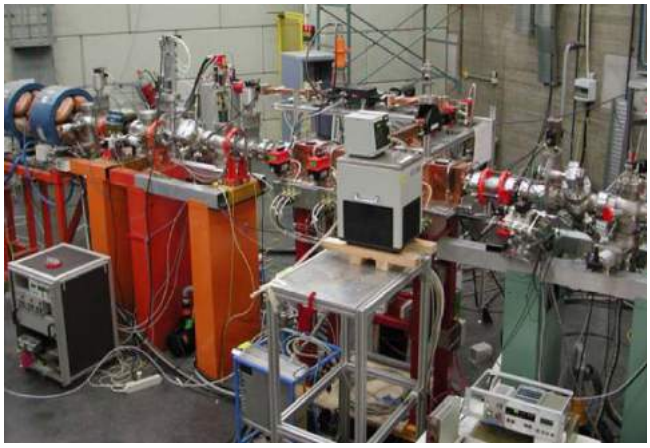
Instead of the more conventional circular cyclotrons and synchrotrons, LIGHT accelerates protons to 230MeV using a linear accelerator. The accelerating components (radio frequency system) of LIGHT have been developed at CERN during the past decade, and the technology is now mature. From the technological viewpoint, LIGHT has little risk since it uses tested technologies for the LINAC and well established technologies for the treatment room.

The use of a proton LINAC offers many advantages. From an engineering point of view:

- relevant parameters (horizontal and vertical beam positions and sizes, beam energy, and beam intensity) can be varied and controlled at the very fast rate of 200 times per second. This has huge clinical benefits as well as reducing or even eliminating the requirements for a gantry;
- the LIGHT system is characterised by a high proton transmission efficiency, with concomitant lower losses from the proton beam (predominantly at low beam energy) and hence lower induced radiation. The lower induced radiation allows a significant reduction in shielding requirements and lower cost of "end-of-life" dismantling due to the integrated reduced radiation of the components; and
- the modular design of the LIGHT system allows ease of mechanical installation, change of location, and ease of dismantling.

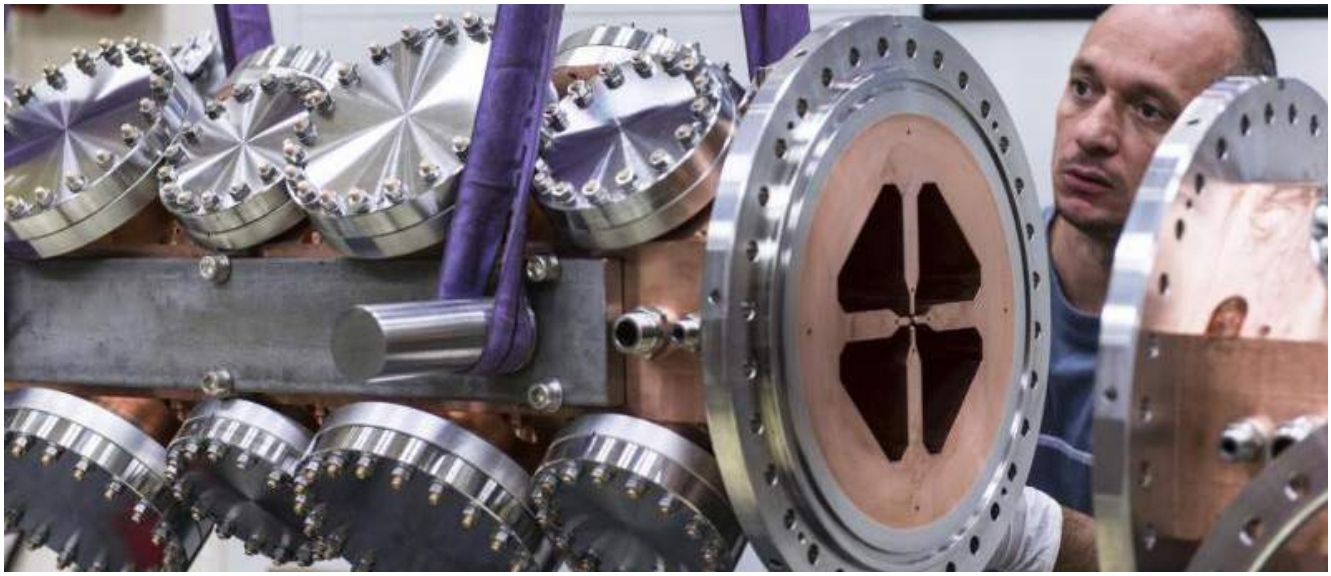
WHAT'S NEXT?

As with all novel techniques, further improvements will be made based on the experience gained. In the longer term I envisage much smaller, even cheaper versions of LIGHT which would become available to nearly all cancer patients. In particular, the reduction of the size of LIGHT appears possible by application of the techniques developed at CERN's CLIC to increase the gradients (MeV per metre) of the accelerating structures. The optimisation of the current design is also expected to increase the manufacturing and power sources efficiency of the LIGHT system.



LIBO (Linac Booster)

LINAC2[1]



RFQ: Radio Frequency Quadrupole

Bunker to assemble and test the first LIGHT machine

[1] The photo was taken when LINAC2 was accelerating protons for the LHC at a 15μA average current

OVERVIEW OF THE LIGHT SYSTEM – THE FINANCIAL VIEW

Nicolas Serandour
Chief Operating and Financial Officer

TELL US MORE ABOUT YOU

I joined the company in 2014, after spending over 15 years in the investment banking industry. I worked at JPMorgan, Lehman Brothers and Lazard where I was responsible for coordinating the European Healthcare sector coverage. The focus of the Company on optimising capital allocation decisions and putting treatment cost for patients at the heart of everything we do was what attracted me and is a key parameter to unlock the tremendous opportunities which lie ahead.

WHAT IS EXCITING ABOUT LIGHT?

The fundamental impediment to growth and market awareness is a cost issue. Despite recent technological advancements, existing proton technologies remain cumbersome and expensive to buy (particularly when including associated building costs). Most crucially systems currently on the market are expensive to run and maintain. All of these costs are passed though to patients, which results in prohibitive treatment costs (e.g. it costs c. £100,000 for the NHS to send patients abroad for proton therapy) and this explains why so few centres historically have been able to treat patients in a number large enough to generate attractive returns on investment.

This has led cancer centres to adopt a two-fold strategy aimed at (i) maximising patient throughput and (ii) focusing on specific tumours such as prostate cancers. As a result, it is not entirely surprising that payers – particularly given their approach on cost vs benefit and quality of life – have been reluctant to fully endorse the use of proton therapy.

However, the proton therapy market is on the cusp of a steepening adoption curve. Market awareness has recently increased at a pace not previously observed. It has taken 60 years to build 54 proton therapy centres in the world, but that number is expected to double over the next five years. In dollar terms, this global order book has been for the first time estimated at $1bn. In comparison, this amounted to $450m in 2014 and $310m in 2013. The unmet medical need is significant: market consultants believe that the global need is about 13,000 treatment rooms, which compares to the current situation of 120 treatment rooms operating in 54 centres.

However, this market potential can only be unlocked through a truly disruptive technology allowing the treatment of patients closer to where they live and at an affordable cost. The latter includes equipment cost, but also and more crucially the building and operating costs. Advanced Oncotherapy is uniquely positioned to disrupt the market and create a "virtuous circle" through our LIGHT system which offers many differentiated competitive features. Taking a financial perspective:

- the unique and novel accelerator allows to significantly reduce the annual operating costs. As an illustration, the full business case for the University College London Hospitals ("UCLH") indicates that the annual operating costs (at full capacity) will be up to £25.5 million per year. This compares to less than £5 million per year for the facility in Harley Street; and
- the modular nature of the LIGHT system offers increased flexibility for installation in existing buildings, without resulting in significant building costs. To put numbers in perspective, UCLH NHS Foundation Trust signed a £190 million contract with Bouygues UK in July 2015 for the building of a new proton therapy center. In contrast, the commitment to refurbish the Harley Street facility which will house our LIGHT system has been estimated at £7 million, a cost borne by Howard de Walden.

WHAT'S NEXT?

Our vision is to make proton therapy more widely available, and not reserved for a minority of patients. This can be achieved only if proton therapy becomes more cost efficient, resulting in a treatment cost for patients and payers at or below cost of conventional radiotherapy. As a knock-on effect, we anticipate that payers will be more supportive, allowing market players to better grasp the opportunity.

Our strategic vision also explains why we are putting so much emphasis on the quality, depth and experience of our manufacturing partners. Being responsive, reducing lead times and production costs will generate further savings which will benefit primarily to patients.

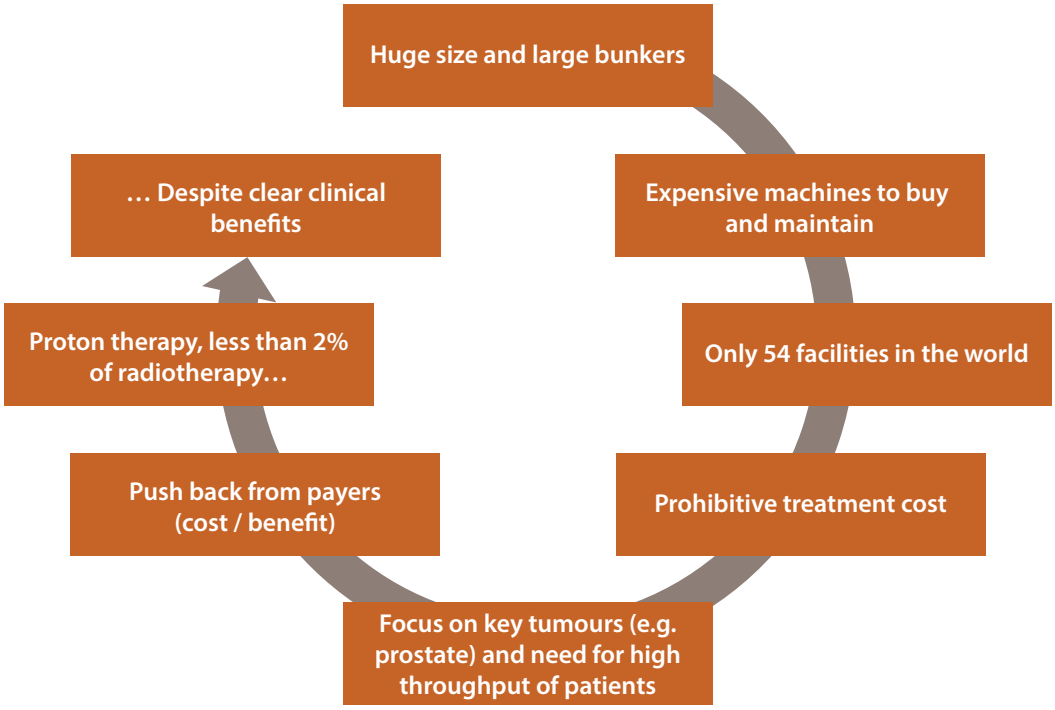
Finally, offering innovative solutions to customers is part of a holistic approach which includes the need to create the right financial conditions for hospitals. The £24 million vendor financing agreement we reached with Metric Capital is a good example of where the industry is moving.

FINANCIAL PERFORMANCE IN 2015

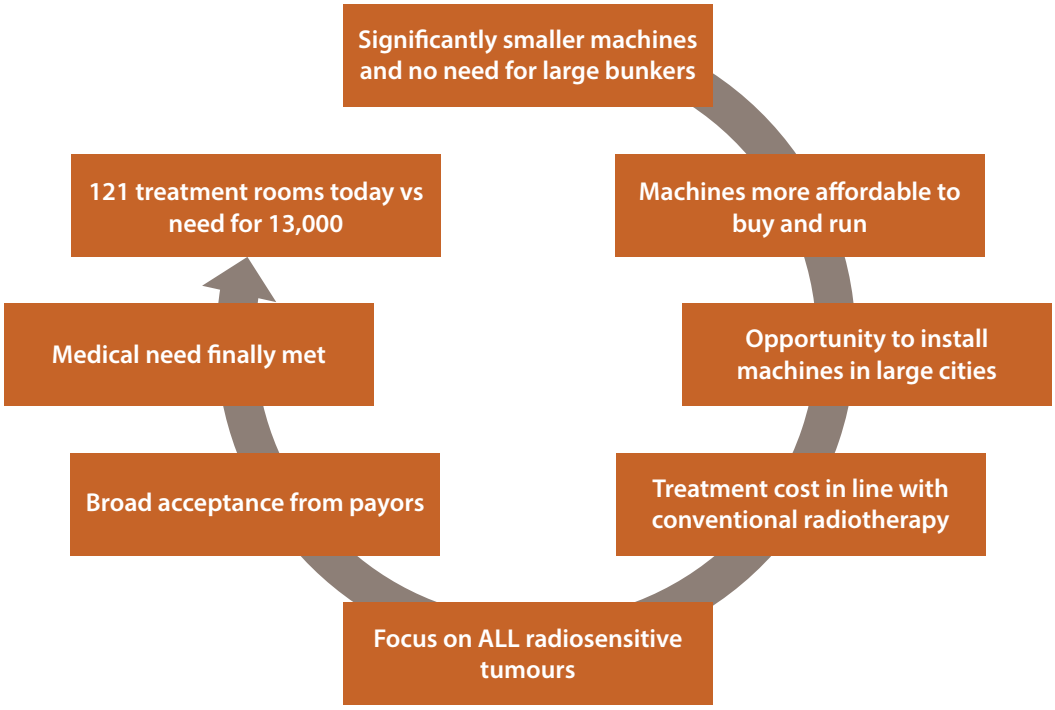
The loss on ordinary activities before taxation was £8,629,386 (2014: £5,699,858) and reflects the Group's product development and pre-revenue position. The continued expenditure on Research and Development during 2015 has enabled the Group to claim accelerated R&D corporation tax relief of £1,975,166 in respect of activity in 2015 and a further amount of £809,065 in respect of activity in 2013 and 2014.

The net asset position at the end of the year was £27,279,893 (2014: £11,131,866), a strong position further enhanced by the £24 million vendor financing agreement we reached with Metric Capital.

From a Vicious Circle ...



... to a new Virtuous Circle



OUR STRATEGIC PRIORITIES AND PROGRESSES

Our strategy is designed to deliver sustainable growth, reduce risk and improve long-term financial performance and returns to shareholders. To do so, we aim at becoming the leading manufacturer of new generation proton therapy systems and the technology of choice for proton therapy providers around the world.

Key elements of the Company's strategy include:

1. Focus on execution and installation of the first LIGHT system

OUR AIM:
Advanced Oncotherapy is focused on developing a proton-therapy system that is technically faster, more accurate and more versatile than the current generation of cyclotron-based proton radiotherapy machines. The objective of the Company is to treat the first patients by the end of 2017.

OUR PROGRESS:
2015 was a year marked by extensive technical advances needed to ensure the successful deployment of our first LIGHT system. The Company successfully completed the testing of two Coupled Cavity Linac ("CCL") modules on maximum power with no complications and tested its first Side Coupled Drift Tube Linac ("SCDTL"). These give the Company the confidence that the modules will work under the required conditions to deliver the high energy protons needed to treat patients effectively.

2. Realise the full potential of the proton therapy market and our LIGHT system through a simplified business model focused on controlled, sustainable and profitable growth

OUR AIM:
The Company intends to leverage its proprietary platform and deliver the next stage of its evolution through a simpler, more transparent and well-funded organisation.

OUR PROGRESS:
In May 2015, the Company secured substantial financial support from new and existing investors through a £21 million placing and subscription of new ordinary shares. This was complemented with a £24 million vendor financing agreed with Metric in May 2016.

In addition, the Company successfully reorganised its operations around its proton therapy activities. The disposal of the Oncotherapy Resources Ltd subsidiary in November 2015 and the sale of a former GP surgery in Southampton were important parts of this refocusing. This almost completed the move away from the business's original purpose of medical property development and provided useful extra cash of £390,000 for the development of the LIGHT system.

With a leaner and better funded business model, the Company has also taken the required steps to ensure a quick and cost effective ramp-up of the future production. In February 2016, the Company signed an agreement with Thales, which provides the support needed to move from the first LIGHT system, currently being developed for use at the Company's flagship Harley Street site, to full commercial roll-out and a fully industrialised machine series production. The cost reduction skills of Thales will also ensure that this next generation proton therapy system is affordable and so more widely available for cancer patients around the world.

3. Create a commercial pipeline for the AVO LIGHT system

OUR AIM:
The Company is committed to sell machines on a global basis, including in developing countries where there is a significant demand.

OUR PROGRESS:
In October 2015, the Company signed a joint venture agreement with Circle Health Ltd. ("Circle"), Europe's largest healthcare partnership, to operate the first centre with the LIGHT system in Harley Street. Advanced Oncotherapy is also in discussions with Circle surrounding an agreement to supply its LIGHT system alongside Circle's planned new-build independent hospital in Edgebaston, Birmingham.

As well as building the first UK facility, the Company signed purchase orders in March and October 2015 with two hospitals in China as a co-venture with Sinophi Healthcare. This includes:

1. a regional oncology hospital to be created in Huai'an City, in Jiangsu Province, East China. The LIGHT system will form a key part of this overall oncology project, supporting up to three treatment rooms, one of which will have a gantry. Once completed the hospital will be one of the most advanced oncology facilities in China, serving a catchment area of more than 20 million people. The initial purchase price for the accelerator is around $40m with the final price dependent on customisations and treatment options selected by Sinophi; and

2. the China-Japan Union Hospital of Jilin University. The China-Japan Union Hospital is one of the largest hospitals in North-East China with over 3,300 beds and is located in Changchun, Jilin Province. The purchase order, worth between $75-80m (subject to final configuration of the treatment rooms), relates to a single LIGHT system to be installed at the heart of a five treatment room facility.

The opportunity in China is significant and this is best exemplified through the four additional framework agreements signed in October 2015. These agreements set a pathway towards which the LIGHT system is expected to be used in four Sinophi Proton Centres: Beijing Shijitan Hospital affiliated with Capital Medical University in Beijing, Nanjing Drum Tower Hospital affiliated with Nanjing University Medical School in Nanjing in the Jiangsu Province, Luoyang Central Hospital associated to Zenghzhou University in Luoyang in the Henan Province and Fuzhou City Health Bureau in Fuzhou in the Fujian Province.

Furthermore, the Company is working with SUNY Upstate Medical University Hospital to install a multi-room proton treatment facility in the highly-sought after area of Syracuse, Central New York State. The Company has also further Letters of Intent from other healthcare providers and benefits from a significant pipeline of potential orders.

4. Enhance our reputation as a market leader

OUR AIM:
The Company aims to be the prime provider of an innovative and cost-effective system for particle therapy with protons, by relying on core scientific foundations and a world class team.

OUR PROGRESS:
The appointment of Professor Steve Myers as Executive Chairman of ADAM together with the hiring of Gerardo d'Auria as technical director have brought to the Company a wealth of knowledge and additional support for the accelerated development of the LIGHT system.

The Company has also continued building a more commercially-focussed team. In March 2016, Michel Baelen was appointed Head of Regulatory Affairs. Prior to joining Advanced Oncotherapy, he held the position of Health Policy Compliance Director at IBA and has been involved in the Quality Assurance and Regulatory area of medical technology for over 19 years. As part of his very strong regulatory background, he has experience in dealing with regulatory authorities in the US and China – two markets of huge relevance to the Company.

RISK MANAGEMENT AND PRINCIPAL RISKS

Like all businesses we face risks and uncertainties, many of which are inherent with any medical equipment company looking to establish new products as well as expand its current commercial operations internationally. The Board continually identifies, monitors and manages the risks and uncertainties of the Company. Set out below are those principal risks and uncertainties that the Board considers could have a material impact on the Company's operational results, financial condition and prospects. This list does not purport to be exhaustive.

1. ABILITY TO DEVELOP AND MANUFACTURE THE LIGHT SYSTEM IN A TIMELY AND COST-EFFICIENT MANNER

Lack of organisational resource or capability deficiencies, from not aligning development and manufacturing operations with commercial objectives or from changes in the regulatory landscape, may result in a failure to deliver the LIGHT system on time and in a cost-efficient manner; this would have a material detrimental effect on the sustainability of the business and on its medium to long-term growth prospects.

• The Company has prepared its development plan by taking into account contingency plans aimed at reducing risks of potential delays. The Company will continue to focus on this area to ensure the delivery of the first LIGHT system on time and based on the criteria of excellence set by its partners. In addition, the Company has built a large network of suppliers with solid track-record of execution, as exemplified by the agreement with Thales, which paves the way for a quicker and cost-effective production ramp-up.

2. ABILITY TO ADHERE TO CHANGING QUALITY AND REGULATORY STANDARDS WITH THE APPROPRIATE SUPPORTING DOCUMENTATION

Given the regulatory environment in which we operate, any change in that environment could negatively impact the Company's growth strategy, revenues, profitability and consequently cash available for investment and new product development. Any change in the regulatory environment for medical devices could negatively impact the cost, feasibility and timing of new product launches. The commercial success of the LIGHT system will likely depend on the extent to which health economic benefits can be demonstrated and reimbursement will be available from government and other healthcare payers in the countries where it is marketed.

• We maintain oversight of local regulatory environments to help anticipate potential changes to the regulatory environment and ensure appropriate compliance of our LIGHT system. Furthermore, the Company has hired key regulatory experts who ensure that appropriate resources are available to support all required control measures. The Company has developed a systematic approach to ensure quality and regulatory systems are at the expected levels to ensure a successful developmental plan and product launch.

3. ABILITY TO APPROPRIATELY SECURE AND PROTECT INTELLECTUAL PROPERTY RIGHTS

Protection of intellectual property is important to the Company's competitive position. The Company owns a portfolio of patents and patent applications and also benefits from a strong know-how gathered through many years. This has to be appropriately secured in order to preserve the future of the Company.

• It can be argued that the science being created at Advanced Oncotherapy, which is supported by the world's best particle physicists, cannot easily be copied elsewhere. However, the Company will continue to take the steps needed to fully implement an IP strategy using both experienced employees and external consultants. This is focused on further securing and protecting the Company's patent rights, as well as maintaining internal processes designed to help ensure successful procurement, enforcement and defence of its patents. This strategy is aimed at monitoring new developments in international patent law to help ensure appropriate protection of our assets. As part of this, the Company is committed to continue innovating and adding features to the LIGHT system, and use - if necessary - acquisitions as a mean to grow and protect its intellectual property portfolio.

4. ABILITY TO RETAIN KEY MANAGEMENT AND EMPLOYEES

The Company's future success is dependent on retention of key management and employees. The loss of key employees could weaken the Company's scientific, technical and management capabilities, resulting in delays in the development of the LIGHT system and impacting negatively on the business.

• We have entered into employment arrangements with key staff and they are incentivised by a combination of salary, bonus and potential equity participation as appropriate. Processes have also been put in place to identify capability and resource gaps.

5. ABILITY TO DELIVER A CONTINUOUS SUPPLY CHAIN

The Company has built an integrated chain of third-party suppliers who are committed to develop and manufacture critical parts of the LIGHT system, such as the proton source and injector, the accelerating units, the dose delivery system, etc. These processes inherently carry risks of failure over which the Company has a lower degree of control. Problems at contractors' facilities such as technical issues, contamination and regulatory actions may lead to delays and disruptions or loss of supply or available capacity. Some materials and services may only be available from one source and regulatory requirements may make substitution costly, time-consuming or commercially unsatisfactory.

• The Company is constantly seeking ways to secure its supply chain by considering when possible a dual sourcing strategy; suppliers have been carefully selected based on key criteria, including track-record, ability to manufacture regulated products within specific budget and timing constraints, rigorous quality control procedures, etc. The experience of Thales - as a tier-1 manufacturer - and other established players such as Toshiba or VDL to name a few will be particularly critical to meet this plan.

6. ABILITY TO TARGET CUSTOMERS WITH TIGHT BUDGET CONSTRAINTS IN A COMPETITIVE MARKETPLACE

Most of the Company's future revenue results from expenditures by hospitals and other cancer centres. Consequently, the Company is dependent on hospitals and payers and exposed to the risks of reduced revenues resulting from reduced expenditures by customers. We face competition in this sector from companies which may be larger and have stronger track records. There can be no guarantee that the market will accept the LIGHT system, which faces potential competition from other companies that have greater resources and may be developing competing technologies.

• We aim to strengthen our market positions and sustain competitive advantage by continuing to widen our customer base, invest significantly in innovation, and work closely with our customers to ensure that we develop solutions tailored to their needs. In addition, the Company is focused on selling a solution, not just a product. In that context, it is the vision of the Company to offer vendor financing packages with the support of financial institutions, which would facilitate the selling process and market adoption.

7. ABILITY TO ADAPT TO LOCAL, NATIONAL AND INTERNATIONAL REGULATIONS

The local business risks in different countries and cities in which the Company operates could have a material impact on the financial conditions, results of operations and growth prospects of our operations in the relevant market. The Company has purchase orders from customers and supply agreements with partners in different countries and cities around the world and the Company is, and may increasingly become, exposed to different and changing political, social, legal, tax, regulatory and environmental requirements at the local, national or international level. Also, new policies or measures by governments, whether fiscal, tax, regulatory, environmental or other competitive changes, may lead to an increase in additional or unplanned operating expenses and capital expenditures, increase in market capacity and pose a risk to the overall investment return of the Company's businesses.

• The Company has been pursuing a diversification strategy aimed at building a network of customers and partners all around the world. In addition, each customer and supplier has been carefully selected, such that there is no over-reliance on any local, national and international constraint.

8. ABILITY TO FUND OPERATIONS

The Company's financing requirements depend on numerous factors including the rate of market acceptance of the LIGHT system and the ability to attract and retain customers. The Company may be unable to obtain adequate funding on acceptable terms. The Company may, in the future, need to raise further equity or debt funds to finance strategic developments and/or working capital requirements through future stages of development.

• Through the successful £20 million fund raising processes in 2015, the £24 million vendor financial arrangement of Metric capital in 2016 and the continued support of its shareholders, the Company is well placed to ensure the deliver its first LIGHT system in the UK. In addition, Advanced Oncotherapy continually monitors opportunities which provide further financing flexibility in order to deliver on its strategic priorities.

Approved by the Board on 27 May 2016 and signed on its behalf by

Dr Michael Sinclair
Chief Executive Officer and Executive Chairman

Nicolas Serandour
Chief Operating and Financial Officer

BOARD OF DIRECTORS

Our Board of Directors is employed to ensure the Company's prosperity by directing the Company's affairs. It is not only responsible for governing the Company but it is ultimately accountable to our shareholders for our operations, strategy and performance.

Michael Bradfield

Tim Lebus

Lord David Evans

Dr Sanjeev Kanoria

Prof Chris Nutting

Lord David Evans
Deputy Chairman * ‡

Appointed: Jul. 2006 | Nationality: British

Skills and experience
Extensive career in printing and publishing and numerous chairmanship spanning across healthcare, media, business consultancy and charity.

Current appointment
Chairman of Newsdesk Media Ltd, Senate Consulting Ltd, Evans Mitchell Books, Forum Print Management Ltd, TU Ink Ltd and Kennedy Scott Ltd; chairman of the Institute of Collaborative Working; Fellow of the Chartered Institute of Marketing and the City and Guilds Institute.

Previous appointments
President of the 'Pioneers' for Prostate Cancer UK; awarded a life peerage for his services to charity and industry; served on the Select Committee for SME Exports; sponsored healthcare focused charity functions and ran a successful fundraising event for the new University College Hospital Macmillan Cancer Centre.

*** Audit Committee**

‡ Remuneration Committee

Michael Bradfield
Non-Executive Director ‡

Appointed: Apr. 2013 | Nationality: British

Skills and experience
Over 30 years experience of direct marketing and the insurance industry; law degree from LSE.

Current appointments
Active investment manager, especially in technology based companies and sustainable industries.

Previous appointments
Founder and CEO of Hospital Plan Insurance Services ("HPIS"), a direct seller of low cost health, accident and life insurance (subsequently sold to AIG in 2000); computer application programmer.

Sanjeev Kanoria (Not standing for re-election)
Non-Executive Director

Appointed: Oct. 2014 | Nationality: British

Skills and experience
Qualified surgeon; over 15 years in the area of liver transplant and Hepato-pancreato-biliary surgery.

Current appointments
Vice Chairman of the Supervisory Board of Austrian Anadi Bank.

Previous appointments
Senior consultant in strategy & finance at McKinsey & Co; company owner of Advinia Health Care, building a chain of nursing homes across the UK, which now employs close to 1,000 people.

Tim Lebus
Non-Executive Director * ‡

Appointed: Apr. 2013 | Nationality: British

Skills and experience
Over 30 years in private equity and banking.

Current appointments
Non-Executive Director of Bibby Line Group Limited; works with Octopus Ventures, the venture capital arm of Octopus Investments.

Previous appointments
Partner at Duke Street; Managing Director at Deutsche Bank.

Prof Chris Nutting
Non-Executive Director

Appointed: Oct. 2013 | Nationality: British

Skills and experience
World leading consultant oncologist.

Current appointments
Consultant clinical oncologist and chair at The Royal Marsden and The Institute of Cancer Research London; chairman of the National Advisory Board on Head and Neck Cancer to the Cancer Services Collaborative.

Previous appointments
President of the British Oncological Association.

Our Board of Directors is characterised by world-class experience of businesses spanning multiple sectors - many with global reach.

Sanjeev Pandya

Dr Euan Thomson

Nicolas Serandour

Dr Enrico Vanni

Dr Michael Sinclair

Sanjeev Pandya

Executive Vice President for Global Business Development

Appointed: Nov. 2013 | Nationality: British

Skills and experience
Trained as an orthopaedic surgeon; medical degree from Trinity College and MBA from INSEAD.

Current appointments
Executive Vice President for Global Business Development and previously Chief Executive Officer.

Previous appointments
Previous experiences at McKinsey & Company, Lehman Brothers, Pfizer, Reckitt Benckiser and BUPA.

Nicolas Serandour

Chief Operating and Financial Officer

Appointed: Sep. 2014 | Nationality: French

Skills and experience
Over 15 years of experience in the investment banking industry; extensive experience providing strategic and financial advice to senior executives at leading healthcare companies internationally.

Current appointments
Chief Operating and Financial Officer.

Previous appointments
Previous experience at JPMorgan, Lehman Brothers and Lazard.

Dr Euan Thomson

Non-Executive Director

Appointed: Feb. 2014 | Nationality: US

Skills and experience
Trained as a physicist; nearly 20 years of experience in research, clinical practice, consulting and corporate management and more than 14 years of experience as a CEO.

Current appointments
Operating partner at Khosla Ventures; CEO of AliveCor; director of the Hospice of the Valley.

Previous appointments
Served as the CEO of Accuray for 10 years; consultant for other medical device companies including Varian Oncology Systems and Radionics; has served as Chair of the California Division of the Entrepreneur of the Year award.

Dr Enrico Vanni

Non-Executive Director ‡

Appointed: Oct. 2013 | Nationality: Swiss

Skills and experience
Chemical engineer; more than 30 years of healthcare management experience; graduated from the Federal Polytechnic School of Lausanne; MBA from INSEAD.

Current appointments
Vice-chairman of Novartis AG; director of Eclosion2, Denzler & Partners SA, Lombard Odier SA and Banque Privée BCP (Suisse) SA.

Previous appointments
Director of Alcon; served as head of the European pharmaceutical practice for McKinsey & Company and managed the Geneva office; research engineer at IBM.

Dr Mike Sinclair

*Chief Executive Officer and Executive Chairman **

Appointed: Jun. 2006 | Nationality: British

Skills and experience
Held a number of appointments at teaching hospitals in London; registrar in Psychiatry at the Maudsley Hospital and Institute of Psychiatry of London University; more than 40 years of experience in the healthcare business.

Current appointments
Chief Executive Officer and Executive Chairman.

Previous appointments
Founder and Chief Executive of Nestor Healthcare and Allied Medical Group Limited; Chairman and Founder of Lifetime Corporation Inc; member of the Board of Overseers of the Tufts University School of Medicine; Chairman and Founder of US based Atlantic Medical Management LLP.

LEADERSHIP TEAM


Dr Michael Sinclair *


Sanjeev Pandya *


Nicolas Serandour *


Michel Baelen


Gerardo D'auria


Michael Graham


Sunita Jethwa


Marina Giunta


Wolter Haverhals


Mark Malkin


Claudio Mellace

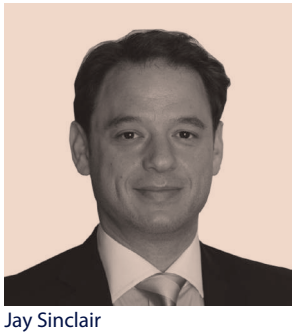

Giovanni De Michele


Prof Steve Myers


Geraldine Poindron


Graham Pughe


Bob Rose


Jay Sinclair


Louise Harley-Smeur


Julian Tokuta


Donatella Ungaro, PhD

*Executive Directors: please refer to page 25 for biographies of **Sanjeev Pandya, Dr Mike Sinclair** and **Nicolas Serandour**

Michel Baelen | *Head of regulatory affairs* | Appointed: Mar. 2016 | Nationality: Belgian
Skills and experience: Michel is doctor in management sciences from IAEA in Lille (France). He worked as Quality Coordinator at the University Hospital Saint-Luc at the Catholic University of Louvain in Brussels before joining IBA as Vice President Group Regulatory and Quality Assurance Affairs.
Role / Responsibilities: Michel is accountable for product compliance during the notified body / regulatory authorities regulatory assessment.

Gerardo D'auria | *ADAM Technical director* | Appointed: Mar. 2016 | Nationality: Italian
Skills and experience: Doctor in physics at the University Federico II of Naples (Italy); more than 30 years of experience working with RF systems and linear accelerators; senior accelerator scientist at Elettra – Sincrotrone Trieste for over 25 years; previously involved in the design and construction of high power storage ring RF systems and high energy electron Linacs; has written and co-written over 130 papers in scientific journals.
Role / Responsibilities: As technical director, Gerardo is responsible for the coordination of the ADAM technical activities related to the development and construction of the LIGHT Linac.

Michael Graham | *Manufacturing and supply chain director* | Appointed: Sep. 2014 | Nationality: British
Skills and experience: Michael has over 30 years business experience in manufacturing and engineering environments across a wide range of industries including medical & science, aerospace & defence, automotive and financial services with international scope.
Role / Responsibilities: As manufacturing and supply chain director, Michael is responsible for the regulatory and quality aspects of the business along with the development and volume ramp-up of the manufacturing supply base.

Sunita Jethwa | *Director of Human Resources* | Appointed: Nov. 2015 | Nationality: British
Skills and experience: Sunita has over 15 years experience within the HR industry including extensive operational practices along with recruitment, business partnering and strategic development. She has worked for three international start-up companies in stand-alone roles where she set the HR function up from inception.
Role / Responsibilities: Appointed as HR Lead to create and take ownership for the HR framework from inception.

Marina Giunta | *Head of physics group* | Appointed: Sep. 2013 | Nationality: Italian
Skills and experience: Marina holds a Phd in Physics and worked at CERN from 2001 to 2013 in the OPAL and CMS experiments before joining ADAM. She has experience both in software (simulations and data analysis) and hardware. She took part in the installation and commissioning of CMS where she had various responsibilities, including Deputy Technical Coordinator of the Drift Tube sub-detector.
Role / Responsibilities: Marina is in charge of the design and simulations of the LIGHT accelerator and the installation and commissioning of the first prototype at CERN. Moreover, the Physics group is in charge of the studies needed to optimise the delivery strategy and provides support for the integration of the accelerator in the facilities including the design of the transfer lines bringing the beam to the treatment rooms.

Wolter Haverhals | *Treatment room project manager* | Appointed: Sep. 2015 | Nationality: Dutch
Skills and experience: Wolter has a 19 years experience in digital imaging and workflow solutions, global product management for medical imaging, and project management in healthcare and services industry including in the medical device manufacturing area for radiotherapy.
Role / Responsibilities: Wolter's current role is project manager for product development of the clinical patient treatment solution.

Mark Malkin | *Director of planning* | Appointed: Jan. 2015 | Nationality: British
Skills and experience: Mark has experience in operations, project management / fulfilment management, Lean, EHS, and Quality systems. He has also managed projects and worked with development teams in multiple countries to deliver operational development products to customers.
Role / Responsibilities: As director of planning, Mark is responsible for planning all project activities ensuring planning and delivery are achieved.

Claudio Mellace | *Head of product realisation* | Appointed: Jun. 2008 | Nationality: Italian
Skills and experience: Claudio has extensive experience within R&D disciplines. Over the past 8 years with ADAM, he has worked in key positions including overseeing the engineering disciplines for the design and development and technical guidance to manufacturing of LIGHT, from early R&D stage to industrial completion.
Role / Responsibilities: Claudio has been providing the engineering technical guidance for design and manufacturing to the LIGHT project. More recently, he has taken the lead of the engineering integration for AVO medical facilities.

Giovanni De Michele | *Head of radiofrequency group* | Appointed: Apr. 2014 | Nationality: Italian
Skills and experience: In the last 10 years Giovanni has been focused on RF design, development and testing of linear accelerators in collaboration with several institutes such as: CERN, EPFL Lausanne , Paul Scherrer Institute (PSI) , Stanford Linear Accelerator Center (SLAC).
Role / Responsibilities: Giovanni's main role is to manage all aspects of the LIGHT accelerator related to the RF design, low level RF, low and high power measurements, conditioning and commissioning and promote new RF developments and technologies to improve the performance of the whole LIGHT machine.

Prof Steve Myers | *ADAM executive chairman* | Appointed: Nov. 2015 | Nationality: British
Skills and experience: Electronic engineer who works in high-energy physics; completed a Ph.D at Queen's University, Belfast in 1972 before joining CERN; appointed CERN Director of Accelerators and Technology and Head of CERN Medical Applications; honorary member of the European Physical Society and of the Royal Irish Academy; won the Duddell Medal and Prize of the Institute of Physics and the International Particle Accelerators Lifetime Achievement Prize "for his numerous outstanding contributions to the design, construction, commissionimg, performance optimization, and upgrade of energy-frontier colliders - in particular ISR, LEP, and LHC - and to the wider development of accelerator science"; jointly awarded the EPS Edison Volta Prize and the Prince of Asturias Prize of Spain; became an Officer of the Order of the British Empire.
Role / Responsibilities: Steve is responsible for monitoring, supervising and driving the overall technical and engineering aspects of ADAM activities, scrutinising the technical projections and targets of ADAM, regularly assessing performance against those targets; and reviewing technical and engineering designs with particular regard to the overall design of the accelerator.

Geraldine Poindron | *Corporate Finance Manager* | Appointed: Aug. 2015 | Nationality: French
Skills and experience: Geraldine has experience in financial planning and analysis, business partnering and decision support, and board/management reporting. She previously worked for Lazard as an M&A Associate and for SFR as a Forecasting & Analytics manager.
Role / Responsibilities: As Corporate Finance Manager, Geraldine helps AVO's partners in the process of understanding the financial metrics of proton therapy and in defining a financial solution, based on continually updated competitive intelligence.

Graham Pughe | *Chief Accounting Officer and VP Finance* | Appointed: Dec. 2012 | Nationality: British
Skills and experience: Graham is a seasoned finance professional with a strong technical grounding within all areas of the finance spectrum. He has implemented robust and pragmatic solutions for various industries he has worked for including newspaper publishing, food manufacturing and building materials. He has a solid track record of having successfully led teams in both large and smaller organisations.
Role / Responsibilities: Financial and accounting controls for the Group and its subsidiaries, compliance with local financial and corporate regulatory controls and practice, banking, insurances and shareholder solutions.

Bob Rose | *Managing director AVO proton services* | Appointed: Nov. 2013 | Nationality: British
Skills and experience: Bob has led and developed international hi-tech advanced equipment manufacturing teams at various firms such as Vitec, E2V and projects with Elekta. He has an extensive understanding and familiarity in the production, manufacturing and delivery of complex transborder engineering projects.
Role / Responsibilities: In the new role of managing director AVO proton services, Bob will lead the business unit for worldwide installations.

Jay Sinclair | *Director US Operations* | Appointed: May. 2014 | Nationality: British
Skills and experience: Jay has over 10 years management experience delivering complex health care and medical facilities dealing with private and institutional clients.
Role / Responsibilities: All US day to day Operations, establishment of the first North American clinical reference site and the Company's technical centre for the Americas, roll out of the North American sales plan and on-going maintenance contracts and client relationships.

Louise Harley-Smeur | *Head of intellectual property ("IP")* | Appointed: Dec. 2015 | Nationality: Dutch
Skills and experience: Louise is a European Patent Attorney and Head of the Intellectual Property Department. She has been working in IP since 2001, half the time working on medical inventions, and prior to that, during the 1990s, she worked in UK hospitals as a medical physicist, specialising in radiotherapy and imaging.
Role / Responsibilities: As Head of IP Louise manages all aspects of the IP portfolio, working closely with inventors and the business line to secure IP rights, protect inventions, software, designs and trademarks and protect know-how.

Julian Tokuta | *Head of procurement* | Appointed: May. 2014 | Nationality: British
Skills and experience: Julian brings 18 years of professional procurement experience, having worked at leading procurement services consulting firms such as Proxima Group or Accenture where he made substantial achievements in delivering supply chain strategies and procurement excellence that address unanticipated business challenges.
Role / Responsibilities: As head of procurement, he oversees the structure, and execution of all aspects of procurement across the group.

Donatella Ungaro, PhD | *Managing director of ADAM* | Appointed: Jun. 2008 | Nationality: Italian
Skills and experience: Donatella joined ADAM in 2008 as project leader. She was hired by CERN in 2005, where she was awarded the CERN Fellowship position in the Technical Coordination Group of the CMS experiment, which is the larger of the two general all purpose particle physics detectors built on the Large Hadron Collider.
Role / Responsibilities: Donatella is responsible for CERN relationships. She manages the ADAM communication with investors, suppliers, external collaborators.

COMPANY'S ADVISERS

Prof Ugo Amaldi

Ugo Amaldi has been Research Director and a researcher at Istituto di Sanità (the Italian Health Institute) and, later, at CERN. He has published more than 400 papers about the physics of atoms nuclei and particles, of radiations and their production and detection, and theoretical physics. His most known paper on the unification of the fundamental forces has been quoted 1,200 times.
From 1980 to 1993 he created and directed the DELPHI collaboration which, formed of about 500 physicists coming from 20 countries, built and operated at the CERN Large Electron Positron collider LEP, the large detector bearing the same name. Chair professor of Medical physics, he has taught this subject in Florence and Milan University. Founder and President of the TERA Foundation since its creation in 1992, in the last 15 years he has concentrated on developing techniques of cancer therapy which make use of beams of charged hadrons. To date, more than one million Italian high school pupils have studied his physics text books. He is Doctor *honoris causa* of the universities of Helsinki, Lyon, Valencia and Uppsala and is member of the Italian Academy of Sciences.

Dr Hanne Kooy, PhD

Professor Kooy joined Advanced Oncotherapy in 2014. Until recently, he was the Head of Proton and Medical Physics at Harvard and the Massachusetts General Hospital. After doctoral studies in experimental High Energy Physics, he had an opportunity in Medical Physics at the University of Rochester to start his career in radiation therapy. Radiation therapy, different from other medical disciplines, requires active participation of physicists in the direct clinical care of patients. As such, it has been an effective vessel for introducing engineering technologies. One such technology is proton beam radiation which has become an almost singular focus of Dr. Kooy's career. Radiation therapy, as all medical disciplines, has also become fully reliant on information technology. Dr. Kooy's interests lie in the effectively deployment of the appropriate, advanced and integrated technologies to support proton radiation therapy.

Jay Loeffler, MD

Jay Loeffler, M.D. is a world's authority on the use of proton therapy for benign, vascular and malignant brain tumours. He is currently the Herman and Joan Suit Professor of Radiation Oncology at Harvard Medical School and Chair of the Department of Radiation Oncology at the Massachusetts General Hospital, Boston. He trained in radiation oncology at the Harvard Joint Centre and has been a faculty member at Harvard Medical School for 27 years.

Dr. Loeffler is a Member of the Institute of Medicine of the National Academies of Science. He has spent his career investigating focal radiation delivery systems for tumours of the central nervous system.

Dr Nick Plowman

Dr Nick Plowman is head of Clinical Oncology at St Bartholomew's Hospital and Senior Clinical Oncologist to the Hospital for Sick Children at Great Ormond Street ("GOSH") in London. He has more than thirty years' experience in radiation oncology in adults and children – pioneering lens sparing ocular radiotherapy, linac based radiosurgery and later being heavily involved in Gamma Knife, IMRT, and Cyberknife projects. Dr. Plowman is the director of The CyberKnife Centre London on Harley Street.

Dr Plowman probably has the UK's widest experience in new radiation techniques and paediatric radiotherapy and has written widely on critical appraisals of new and existing techniques. He has published some twenty original research papers on intracranial radiosurgery and the UK's first research paper on spinal radiosurgery. Dr Plowman part funds a laboratory project at Brunel University exploring DNA repair mechanisms, their deficiencies with regards to intrinsic radiosensitivity of normal host tissues and interference with these repair mechanisms with particular regard to irradiated tumours.

Dr Margaret Spittle OBE

Dr Spittle is a Clinical oncologist, University College London Hospital ("UCLH") and Consultant Adviser in Radiation Medicine to HM Royal Navy and the Defence. She is a member of the Nuclear Safety Committee and a medical adviser board member to UK All Party Committee on Breast Cancer.

Our advisors joined AVO because...

"The successful development of LIBO as a novel linear proton accelerator and a scientific validation of the LIGHT system is something I'm particularly proud of, not only because each module and sub-component of the accelerator have been designed to maximise the benefits of protons with cutting edge technologies, but also because every day brings all of us closer to the most significant medical breakthrough in proton therapy. I don't believe this could have ever been possible without the depth and breadth of the team assembled at ADAM."

- Prof Ugo Amaldi, Founder of TERA, the Italian Foundation for Hadrontherapy

"Simply put, technically, dosimetrically and clinically proton beams will outperform photon beams and, if all things were equal, there would be no rationale to use photon beams. Proton beams will always improve the management and outcome of the disease. At the most simple level, the patient will tolerate and manage the treatment itself better. After the treatment the patient will recover more rapidly and have fewer short and long term consequences."

- Prof. Hanne Kooy, PhD, Professor Medical Physics at Harvard and the Massachusetts General Hospital, USA

"If the costs of existing proton facilities were to come down, then all radiotherapy will be delivered using proton technologies within the next 10 years."

- Jay Loeffler, Prof Radiation Oncology, Harvard Medical School and Department Chair at Massachusetts General Hospital

"The next generation 'LIGHT' protons look to supplant current generation technology. It is great news for UK patients that London will spearhead this advance."

- Nick Plowman, Senior Clinical Oncologist to St Bartholomew's Hospital & Great Ormond Street Hospital

"State-of-the-art techniques derived from particle accelerators, detectors and physics computing are routinely used in clinical practice and medical research centres, but their development has been hindered by the need to have very large bunkers to protect people from unwanted radiation. The significantly lower shielding requirements of LIGHT and its vastly superior beam stability mean a new way forward to treat patients with proton therapy is now finally possible."

- Dr Margaret Spittle OBE, Clinical Oncologist, University College London Hospital ("UCLH") and Consultant Adviser in Radiation Medicine to the Royal Navy

CORPORATE GOVERNANCE REPORT

The Board is collectively responsible for promoting the Company's long-term success, for setting its strategic aims and ensuring a framework of prudent and effective controls.

INTRODUCTION

As a company listed on the Alternative Investment Market ("AIM") of the London Stock Exchange, Advanced Oncotherapy is not required to comply with the requirements of the UK Corporate Governance Code published in June 2010 (the "Code"), However, the Board has sought to apply those principles of the Code which are consistent with the size, stage of development and resources of the Company.

COMPOSITION

The Board currently consists of ten members – the executive Chairman and Chief Executive Officer, the Chief Operating and Financial Officer, the Executive Vice President for Global Business Development and seven independent Non-Executive Directors. A list of directors and their biographies is set out on pages 24 and 25. Sanjeev Kanoria, currently a Non-Executive Director, has decided not to stand for re-election and consequently the number of Non-Executive Directors will drop to six.

EXECUTIVE CHAIRMAN

Dr Michael Sinclair is supported by Lord David Evans in his role. Since February 2016, he has also been acting as CEO of Advanced Oncotherapy. He takes an active role in the Company and therefore is not considered independent under the rules of the Code. However, the Board considers that the benefits that he brings through his broad experience of running medical device companies outweigh his perceived lack of independence.

DEPUTY CHAIRMAN

The Deputy Chairman Lord David Evans is responsible for leading the Board with Dr Michael Sinclair, creating conditions for overall Board and individual Director effectiveness, promoting constructive debate and for ensuring the following:

- that the Board devotes adequate time to the right agenda issues, such as its role in shaping strategy;
- a robust decision making process is in place by ensuring appropriate high-quality information is made available to the Board in a timely manner and that clear decisions are made, communicated and effected;
- that the Board environment is productive and the composition and diversity, experience and expertise of the Board and its Committees are appropriate having regard to the Company's needs;
- the Board discharges its responsibilities with respect to risk management;
- Board committees are properly structured with appropriate terms of reference, membership and collective experience;
- necessary relationships of mutual respect and open communication are fostered between Directors, with Non-Executive Directors providing support and advice while respecting the executive responsibility; and
- effective communication with shareholders and other stakeholders.

EXECUTIVE DIRECTORS

The Chief Executive Officer and Executive Chairman, Michael Sinclair, is primarily responsible for the running of the Company and for executing the Company's strategy in line with the risk appetite defined by the Board and the Company values.

Nicolas Serandour, Chief Operating and Financial Officer, is responsible for key operating functions such as supply chain, procurement, managing Intellectual Property ("IP"), Human Resources ("HR") as well as all financial reporting, tax and financial control aspects of the Company, providing support to the CEO and the wider business activities of the Company as required.

Sanjeev Pandya is Executive Vice-President for Global Business Development. He plays a key role on the ongoing commercial roll-out of the LIGHT technology and he is engaged with key stakeholders of the Company, such as customers and Key Opinion Leaders.

The executive directors are also responsible for:

- communicating to the Board their views on business issues to improve the standard of Board discussion and, prior to final decision on an issue, explaining in a balanced way any divergence of view in the executive team;
- providing input to the strategy formulation process to en-able an effective and evidence based approach and to ensure that the Board is well informed about all aspects of the business and its operations which bear on its strategy; and

- delivering high quality information to the Board to enable it to monitor the performance of the whole Company including the management of risk, and to make critical decisions.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are drawn from a wide range of industries and backgrounds, including healthcare, finance, consulting, engineering and technology. They have extensive experience of complex organisations with global reach, including experience of the Company's key markets. Their varied yet relevant experience brings a diversity of perspective and useful insight to Board discussions and important support to the management team.

- The Non-Executive Directors play a full part by challenging executive management and contributing to the development of the Company's strategy;

- The Non-Executive Directors scrutinise the performance of executive management and monitor the reporting of the Company's performance, the integrity of financial information and the effectiveness of financial controls and risk management systems; and

- The Non-Executive Directors are responsible for determining appropriate levels of remuneration for Executive Directors and participating in the selection and recruitment of new directors and succession planning.

COMPANY SECRETARY

Celia Whitten acts as Secretary to the Board and all the Board's Committees and is responsible for supporting the Chairman in the delivery of the corporate governance agenda. The appointment and removal of the Company Secretary is a matter for the Board.

DIRECTORS' CONFLICTS OF INTEREST

To address the effect of Section 175 of the Companies Act 2006 (Directors' conflicts of interest), the Company's Articles enable the Board to authorise situations that might give rise to Directors' conflicts of interest. Directors complete a declaration form in order to determine whether any actual or potential conflicts need authorisation. The forms are reviewed annually to ensure that the information provided is up to date and includes any disclosures made during the past year.

All Directors are asked at regular intervals to review and make any necessary amendments to their existing declarations. The Company Secretary has reviewed the latest declarations and has confirmed that no conflicts have arisen.

All such notifications are kept in a conflicts register maintained by the Company Secretary. Any Director who considers they may have a potential conflict of interest should report this to the Board.

THE ROLE OF THE BOARD

The Board retains full and effective control of the Company and is collectively responsible for its success. It sets the Company's strategy, ensures appropriate resources are in place to achieve the Company's objectives and reviews performance regularly.

The Board is responsible for setting the Company's values and standards and for ensuring obligations to shareholders, employees and other stakeholders are met.

A Schedule of Matters Reserved for the Board sets out the matters on which the Board must make the final decisions. These include, for example, changes to the Company's capital structure and capital allocation policy, acquisitions and disposals above a certain threshold and approval of results announcements, annual reports and dividends. If a decision is not reserved for the Board, authority lies in accordance with authorisation policies and terms of reference.

BOARD COMMITTEES

The Board has established audit and remuneration committees, details of which follow. No one other than the committee chairman and committee members receive automatic invitations to the meetings.

HIGHLIGHTS OF BOARD ACTIVITIES DURING 2015

During the year the Board held ten scheduled meetings (excluding ad-hoc meetings). The Board considers that it met sufficiently often to enable the directors to discharge their duties effectively.

The Board and Committee agendas were shaped to ensure that discussion was focused on the Company's strategic priorities and key monitoring activities, as well as reviews of significant issues. In addition, to allow opportunities for the Board to engage with senior management and employees to discuss key elements of the business, a number of meetings and site visits were held during the year. Further information on the Company's strategic focus during the year is set out on pages 20 and 21.

RISK AND ASSURANCE

During the year the Board, either directly or through its committees, regularly reviewed the processes whereby risks are identified, evaluated and managed. The effectiveness of the Company's system of control and risk management is also assessed on a regular basis.

The business plan, Company risk reviews and strategy are central to the responsibilities of the Board.

AUDIT COMMITTEE REPORT

OVERVIEW

The key role of the Audit Committee is to provide confidence in the integrity of the Company's processes and procedures relating to financial control and corporate reporting. The Board relies on the Audit Committee to review financial reporting and to appoint and oversee the work of the external auditors.

COMPOSITION

The Code requires that, in the case of a smaller company, an Audit Committee consists of at least two independent Non-Executive Directors. The Audit Committee consists of Lord David Evans (chairman), Tim Lebus and Dr. Michael Sinclair. The Audit Committee met four times during 2015 primarily to:

- review the 2014 Annual Report and 2014 Interim Report prior to their submission for approval to the full Board;
- consider comments on the Company's accounting policies and internal controls from the Company's auditors;
- consider accounting and regulatory changes that may affect the Company;
- consider the independence of the auditors and the terms of their engagement; and
- to discuss the preparation of the 2015 Annual report.

Meetings were also attended when necessary by the Chief Operating and Financial Officer and the Chief Accounting Officer. The external auditors were present at all meetings and when necessary other Non-Audit Committee members were invited to attend.

RESPONSIBILITIES

The responsibilities of the Audit Committee include:

- monitoring the integrity of the financial statements of the Company, including its annual and half-yearly reports, and any other formal announcement relating to its financial performance, reviewing and reporting to the Board on significant financial reporting issues and judgements having regard to matters communicated to it by the external auditor;
- reviewing and challenging where necessary: (i) the consistency of and any changes to significant accounting policies and the methods used to account for significant or unusual transactions; (ii) whether appropriate accounting standards have been followed; (iii) whether appropriate estimates and judgements have been made, taking into account the views of the external auditor; and (iv) the clarity and completeness of disclosure in the Company's financial reports and the context in which the statements are made;
- reviewing the content of the annual report and advising the Board on whether, taken as a whole, it is fair, balanced and understandable;
- reviewing the adequacy and effectiveness of the Company's financial controls and financial risk management system, reviewing and approving the statements to be included in the annual report concerning financial controls and financial risk management and reviewing the Company's procedures for detecting fraud;
- overseeing the relationship with the external auditor, including the decision to tender external audit services, the approval of fees paid to external auditors and their terms of engagement, and recommending to the Board, to be put to shareholders for approval at the Annual General Meeting ("AGM"), the appointment, re-appointment and removal of the external auditor; and
- reviewing the Audit Committee's own effectiveness.

ACTIVITIES DURING THE YEAR

A summary of matters considered at the Audit Committee since the last Annual Report and actions taken is shown below:

- review of the Company's half-year results to 30 June 2015 and full-year results to 31 December 2015;
- review of the reports from the external auditor on the half-year and full-year results;
- consideration of accounting issues, changes in accounting standards and their impact on Company reporting;
- review of the scope, nature, resource planning and fee estimate for the full-year audit;
- assessment of the going concern basis; and
- review of the disclosures relating to material risks in the business review.

FINANCIAL RESULTS REVIEW

A key role of the Audit Committee is to undertake detailed monitoring of the interim and annual financial statements. As part of this review it discusses the audit findings and auditors' report with management and the external auditors and considers significant judgements and issues contained in them, whether the financial statements comply fully with the relevant statutes and accounting standards and if they present a balanced assessment of the Company's financial position and prospects. In particular, the Audit Committee verified that the values ascribed by management to the assets and liabilities of the Company are stated at fair value and that any impairment is recognised. Following this discussion and review the Chairman of the Audit Committee reports the results of its review to the full Board.

EXTERNAL AUDIT

The external auditors are RPG Crouch Chapman LLP who have been appointed as Company auditors for the financial year since 2012. There are no contractual obligations restricting the Committee's choice of external auditors.

The lead audit partner is Paul Randall (Senior Statutory Auditor) whose appointment in this role commenced with the audit for the financial year ended 31 December 2011. Mr Randall has had no previous involvement with the Company in any capacity.

The Audit Committee assessed the effectiveness of RPG Crouch Chapman LLP and was satisfied with its performance and the external audit process. The Audit Committee also felt that the external auditors had employed an appropriate level of professional challenge in fulfilling their role. The Audit Committee has determined, on the basis of the satisfactory outcome of the evaluation, that the Board submits the re-appointment of RPG Crouch Chapman LLP to shareholders for approval at the AGM in 2016.

The Audit Committee routinely meets with RPG Crouch Chapman LLP without executive management present and there were no concerns raised at that meeting. It was confirmed that the external auditors had been able to offer rigorous and constructive challenge to executive management during the year.

NON-AUDIT SERVICES

The Company places great importance on the independence of its external auditors and is careful to ensure their objectivity is not compromised. The Audit Committee agrees the fees paid to external auditors for their audit services as well non-audit services, in the provision of tax advice or non-specific projects where they can add value.

Total fees paid to the Company's auditors are shown in Note 6 on page 48.

INTERNAL AUDIT FUNCTION

Given the Company's size and development, the Board did not consider it necessary to have an internal audit function during the year. The Board will continue to monitor this requirement.

Lord David Evans
Chairman of the Audit Committee

DIRECTORS' REMUNERATION REPORT

INTRODUCTION

Companies that have securities traded on the London Stock Exchange's AIM market are not required to comply with the disclosure requirements of Directors' Remuneration Report Regulations 2002 or to comply with the UKLA Listing Rules and disclosure provisions under Schedule 8 of the Companies Act 2006. However, the Remuneration Committee is committed to maintaining high standards of corporate governance and has taken steps to comply with best practice in so far as it can be applied practically given the size, stage of development and resources of the Company.

The following disclosures are provided on an unaudited voluntary basis. The Code requires that, in the case of a smaller company, a Remuneration Committee consists of at least two independent Non-Executive Directors. The Committee consists of Lord David Evans (Chairman), Michael Bradfield, Tim Lebus and Dr Enrico Vanni. Dr Mike Sinclair resigned from the Committee on 08 February 2016. The Company believes that the four independent Directors on the Committee are sufficient to comply with the Code. There were three meetings during the year.

The remuneration of each Executive Director and key team leaders, including bonuses and share option grants, is determined by the Remuneration Committee, as are the terms of their service agreements. Details of Directors' remuneration are given in Note 11 on page 51.

REMUNERATION PHILOSOPHY

Our philosophy on remuneration is based on the following three key points:

- execution and excellence are at the heart of everything we do and are the key drivers of the Company. It is the objective of the Board, advised by the Remuneration Committee, to provide remuneration packages that will attract, retain and motivate Executive Directors and team leaders of the highest calibre;
- we aim to reward our people on a basis that is strongly aligned to sustainable long-term performance and commitment that deliver value to our shareholders; and
- Advanced Oncotherapy is an international medical equipment company and in key areas we compete with, and recruit from, an international rather than domestic talent pool.

REMUNERATION REPORT VOTING RESULTS

The Remuneration Committee listens to and takes into consideration investor views throughout the year in relation to Remuneration. The Company noted the desire for further detailed information in the policy even though this is not a requirement of the UKLA Listing Rules in the case of an AIM listed company such as Advanced Oncotherapy. The Company has taken steps to implement a new remuneration policy to be operated during the 2016. The following sets out the Remuneration Committee's intended approach. The Directors' remuneration was last approved by shareholders at the 2015 Annual General Meeting held on 29 June 2015.

PERFORMANCE MANAGEMENT ASSESSMENT SYSTEM AND REMUNERATION

A new performance appraisal system has been devised and will be implemented throughout the Company commencing with a pilot in June 2016, followed by the actual one in late November. The key criteria in which performance will be measured will focus on Company objectives, team objectives (where applicable) and personal objectives, including 360-degree feedback.

The new structured programme will ensure the appraisals are fair and consistent across the Company and allow us to create personal development plans, training and career progression.

Financially, we can reward our employees with discretionary bonuses, salary increases, share options and promotions.

SUMMARY OF DIRECTORS' REMUNERATION POLICY

The following outlines the Remuneration Committee's policy, key decisions and performance outcomes.

Element	Policy summary description	Maximum opportunity
Executive Directors and key team leaders		
Base salary	In setting levels of base salary, the Remuneration Committee takes into account the following factors: • The individual Executive Director's experience and responsibilities; • The levels of base salary for similar positions with comparable status, responsibility and skills in organisations of broadly similar size and complexity; • The performance of the individual , his/her team (if relevant) and the Company; • Pay and conditions throughout the Company.	Where an Executive is extremely experienced and has a long-track record of proven performance salaries may be in the upper decile when compared to companies of broadly comparable size and complexity. In general salary rises will be limited to the level provided to employees of the Company as a whole.
Pension and benefits	The Company's policy is either to provide a contribution to a pension arrangement or provide payments in lieu of pension. Other benefits are provided to the Executive Directors including a fully expensed company car or cash allowance alternative, medical insurance and other benefits may be provided from time to time.	The maximum contribution or payment in lieu is 10% of salary. Levels of benefits are defined by market rates.
Annual bonus	The bonus plan aligns rewards to the key objectives linked to short to medium term performance whilst ensuring that there is a balance between incentivising individuals, providing a sustainable ongoing level of return to shareholders and ensuring the long term sustainability of the Company.	100% of salary The Remuneration Committee can also endorse additional discretionary bonus, subject to specific contributions, roles and performance of individuals.
Share options	Executive Directors are awarded share options under the rules of Enterprise Management Incentive ("EMI") Share Option Plan at the discretion of the Remuneration Committee. The exercise of options is normally conditional on the achievement of either a specified performance or project target determined by the Remuneration Committee when the options are granted.	Details of Directors' options are given in Note 11 on page 51. Full details of Directors' interests in ordinary shares in the Company, are set out in the corporate governance report on page 37.
Non-Executive Directors		
Fees	Each Non-Executive Director receives a fee which relates to membership of the Board and additional fees are paid to Committee Chairmen.	In general fee rises will be limited to the level provided to employees of the Company as a whole. In 2015, the Deputy Chairman was paid an annual fee of 49,350, with the other Non-Executive Directors an annual fee of 30,000.

SHARE PRICE PERFORMANCE OF THE COMPANY SINCE THE ACQUISITION OF ADAM

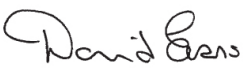
The chart left shows the Total Shareholder Return ('TSR') for the Company compared to the companies in the AIM index. It shows the share price appreciation (no dividend was paid over the period) since the announcement of the acquisition of ADAM, on 24th April 2013: as of 31st December 2015, the Company's share price had increased by 451% since 24th April 2013, or 89% on average per annum, whereas the FTSE All Share index increased 5% since 24th April 2013, i.e. 2% on average per annum.

DETAILS OF CURRENT DIRECTOR'S SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Name	Date of appointment	Notice period
Executive Directors		
Dr Michael Sinclair	16 Jun 06	24 months
Sanjeev Pandya	22 Nov 13	12 months
Nicolas Serandour	27 Aug 14	6 months
Non-Executive Directors		
Lord David Evans	31 Jul 06	3 months
Tim Lebus	08 Apr 13	3 months
Michael Bradfield	26 Apr 13	3 months
Dr Enrico Vanni	01 Oct 13	3 months
Prof Chris Nutting	25 Oct 13	3 months
Dr Euan Thomson	20 Feb 14	3 months
Dr Sanjeev Kanoria *	09 Oct 14	3 months

* Not standing for re-election

Signed on behalf of the Remuneration Committee



Lord David Evans
Chairman of the Audit Committee

GROUP DIRECTORS' REPORT

CORPORATE DETAILS

Advanced Oncotherapy plc is incorporated and registered in England and Wales number 05564418. The registered office is Level 17, Dashwood House, 69 Old Broad Street, London EC2M 1QS.

DIRECTORS

The Directors who held office during the year and as at the date of signing the financial statements were as follows:

- Lord David Evans (Deputy Chairman);
- Dr Michael Sinclair (Executive Chairman and CEO);
- Michael Bradfield;
- Dr Sanjeev Kanoria (not standing for re-election);
- Tim Lebus;
- Prof Chris Nutting;
- Sanjeev Pandya (EVP for Global Business Development);
- Nicolas Serandour (COO and CFO);
- Dr Euan Thomson; and
- Dr Enrico Vanni.

The removal of a Director or of the Company Secretary is a matter for the Board as a whole.

PRINCIPAL ACTIVITIES

The Company is focused on providing innovative radiotherapy systems for cancer treatment through the use of a novel proton therapy technology.

Separately, the Company in the year under review undertook a strategic assessment of its Single Dose Intra-Operative Radiotherapy Treatment activities which lead to the sale of its subsidiary Oncotherapy Resources Ltd. It has also sold its healthcare related property located in Southampton in order to re-focus resources solely onto the Proton Therapy segment.

RESULTS AND DIVIDENDS

The results for the year and the financial position at 31 December 2015 are shown in the consolidated statement of comprehensive income on page 40 and the consolidated statement of financial position on page 41. The Directors do not recommend the payment of a dividend for the year (2014: nil). The results of the Company for the year are explained further on pages 46 to 63.

GOING CONCERN

The Company's business activities and the factors affecting its performance, position and future development are set out on pages 2 to 29.

The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about future performance and taking into account the Company's cash balances. On the basis of this review, and after making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts, including the consolidated financial statements and the Company financial statements, the Directors' Report, including the Strategic Report, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. In preparing the consolidated financial statements, the Directors have also elected to comply with IFRS, issued by the International Accounting Standards Board ("IASB"). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 period.

In preparing these 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 that the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- state that the Company financial statements have been

properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and

- prepare the Company financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors confirms that:

- to the best of their knowledge, the Company financial statements, which have been prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and profit of the Company;

- to the best of their knowledge, the Strategic Report contained in the Annual Report and accounts includes a fair review of the development and performance of the business and the position of the Company on a consolidated and individual basis, together with a description of the principal risks and uncertainties that it faces; and

- the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

RISK MANAGEMENT AND PRINCIPAL RISKS

The Board continually identifies, monitors and manages the risks and uncertainties of the Company and its report on this can be found on pages 22 and 23.

RESEARCH AND DEVELOPMENT

The Company continues the development of the LIGHT system as its core activity at its R&D facility near Geneva. It has significantly increased the number of physicists and engineers working at the facility during 2015 and has built relationships with manufacturing companies.

DIRECTORS' INTERESTS

The interests of those Directors serving at 31 December 2015 and as at the date of signing of these financial statements, all of which are beneficial, in the share capital of the Company were as follows:

	At 31 December 2015	At 31 December 2014
Michael Bradfield	**124,518,510**	118,518,510
Dr Michael Sinclair	**89,830,758**	68,079,757
Dr Enrico Vanni	**14,050,000**	12,450,000
Lord David Evans	**4,807,417**	4,807,417
Dr Sanjeev Kanoria	**4,444,440**	4,444,440
Tim Lebus	**1,363,000**	1,363,000
Sanjeev Pandya	**590,400**	370,400
Prof Chris Nutting	**370,400**	370,400
Nicolas Serandour	**220,000**	-

As at the date of this report, there were no changes.

Options and warrants held by Directors who have served during the year are listed in Note 11 of the Financial Statements on page 51.

SUBSTANTIAL SHAREHOLDINGS

At 30 April 2015 the following parties had substantial shareholdings in Advanced Oncotherapy plc

	Number of shares	% of total in issue
Brahma AG	273,062,282	**19.3%**
Mr Michael Stephen Bradfield	124,518,510	**8.8%**
Banca Profilo SPA	93,750,000	**6.6%**
Dr Michael Sinclair & Family	89,830,758	**6.3%**
Aviva Investors	81,658,614	**5.8%**
Hargreaves Lansdown Asset Mgt	74,389,658	**5.2%**
AB Segulah	60,236,298	**4.2%**

DIRECTORS' LIABILITY INSURANCE

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense. Directors have direct access to the advice and the services of the Company Secretary who is responsible for ensuring that Board procedures are followed. Each Director of the Company may become liable in their capacity as Director of the Company and so, the Company has arranged appropriate Directors' and officers' liability insurance. Those indemnities are qualifying third party indemnity provisions for the purposes of Section 234 of the Companies Act 2006 and have been in force during the whole of the financial year and up to the date of approval of the financial statements.

GROUP POLICY ON PAYMENT OF CREDITORS

- Agree the terms of payment with a supplier at the start of business

- Ensure that the supplier is aware of the terms of payment

- Pay in accordance with our contractual and other legal obligations

GROUP DIRECTORS' REPORT - Continued

DONATIONS

During the year, the Company made donations of £5,050 (2014: nil) to the Ghurkha Association and a local hospital.

PROMOTING AN INCLUSIVE AND DIVERSE WORKFORCE

The Company aims at developing and operating the business with an inclusive and diverse culture, with equal opportunity to all in recruitment, career development, training and reward. This applies to all employees regardless of race, gender, nationality, age, disability, sexual orientation, gender identity, religion and background. Where existing employees become disabled, the Company's policy is to provide continued employment and training where practical. The policies support the attraction and retention of the best people, improve effectiveness, deliver superior performance and enhance our success.

INDEPENDENT AUDITORS

RPG Crouch Chapman LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming AGM.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all reasonable steps to ascertain any relevant audit information and to ensure that the Company's auditors are aware of that information.

CORPORATE GOVERNANCE

The Company's statement of corporate governance can be found in the Corporate Governance Report on pages 30 and 31 of these financial statements. The Corporate Governance Report forms part of this Directors' Report and is incorporated into it by cross-reference.

SHARE CONSOLIDATION

The Directors are proposing in Resolution 15 of the Notice of AGM to consolidate every 25 Ordinary shares of 1 penny each in the Company into one new Ordinary share of 25 pence (a New Ordinary share) (the Consolidation). Having taken advice, the Directors of the Company believe this will lead to the Company having a more readily understood share price and number of shares in issue and that they may be more attractive to some investors. See Explanatory Notes to the Notice of Annual General Meeting on page 74 which sets out the process in more detail. The ISIN of the New Ordinary shares will be GB00BD6SX109.

Expected Timetable for Consolidation

Record Date (Effective time and date of the Share Consolidation)	Thursday, 30 June 2016 (6:00 pm)
Announcement setting out new number of shares etc	Friday, 1 July 2016 (7:00 am)
Commencement of dealings in New Ordinary shares	Friday, 1 July 2016 (8:00 am)
CREST accounts credited with New Ordinary shares	Friday, 1 July 2016
Payment (where applicable) of fractional entitlements	Friday, 15 July 2016
Certificate despatch for New Ordinary Shares	Friday, 15 July 2016

Following the Consolidation and assuming no further shares are issued between the date of this notice and the Consolidation becoming effective, the Company's issued ordinary share capital will comprise 56,733,695 New Ordinary shares. No change in the total value of the Company's issued share capital will occur, based on the price per Ordinary Share at close of business on 19 May 2016 and assuming no further Ordinary Shares are issued until the Consolidation becomes effective, it will remain approximately £93,965,182.

ANNUAL GENERAL MEETING

The AGM will be held at Royal Institute of British Architects, 66 Portland Place, London W1B 1AD on Thursday, 30 June 2016 at 12.00 hours. The resolutions to be proposed at the forthcoming AGM are set out in the formal notice of the meeting on page 72.

RECOMMENDATION

The Board considers that the resolutions to be proposed at the AGM are in the best interests of the Company and it is unanimously recommended that shareholders support these proposals as the Board intends to do in respect of their own holdings.

EVENTS AFTER THE REPORTING PERIOD

In May 2016, the Company secured a £24 million Vendor Financing with Metric Capital, a pan-European private capital fund manager. This allows the London Proton Therapy Centre Limited (a joint-venture between the Company and Circle Health) to purchase the LIGHT machine and fund the operations related to the Harley Street centre.

In February 2016, the Company announced that it entered into an industrialisation agreement with Thales. This provides Advanced Oncotherapy with the support needed to move from the first LIGHT system to full commercial roll-out and a fully industrialised machine series production. As part of the agreement, Thales agreed to undertake the initial engineering studies and test facilities commissioning required to construct the custom-designed series production line. The cost of these activities will be funded by Advanced Oncotherapy and recovered through the retention of 100% gross margin on the initial LIGHT machines produced. In addition, in the future Thales intends to organise the series production so as to drive down costs, whilst operating under an appropriate quality framework.

Dr Michael Sinclair
Chief Executive Officer and Executive Chairman
27 May 2016

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED ONCOTHERAPY PLC

We have audited the financial statements of Advanced Oncotherapy plc for the year ended 31 December 2015 which comprise:

- consolidated statement of comprehensive income;
- consolidated statement of financial position;
- consolidated statement of cash flows;
- consolidated statement of changes in equity;
- notes to the consolidated financial statements;
- Company statement of financial position;
- Company statement of cash flows;
- Company statement of changes in equity;
- notes to the Company financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and our engagement letter. 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume 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 we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of Directors responsibilities on pages 36 and 37, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the strategic reports and the governance reports, including the directors' report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit.

Paul Randall (Senior Statutory Auditor)
for and on behalf of RPG Crouch Chapman LLP
Statutory Auditors
27 May 2016

62 Wilson Street
London
EC2A 2BU

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015 - Financials in £

	Note	Group 2015	Group 2014
Revenue	2,3	**-**	-
Cost of sales		**-**	-
Gross profit		**-**	-
Administrative expenses	2	**(7,617,944)**	(5,036,775)
Impairment charge for investment properties	14	**(887,094)**	(802,907)
Operating loss		**(8,505,038)**	(5,839,682)
Finance income	2,7	**26,805**	499,281
Finance costs	2,8	**(151,154)**	(359,457)
Loss on ordinary activities before taxation		**(8,629,386)**	(5,699,858)
Taxation	9	**2,784,231**	-
Loss after taxation from continuing operations		**(5,845,155)**	(5,699,858)
Discontinued operations			
Loss for the year from discontinued operations	1	**(710,336)**	(1,862,927)
Loss after discontinued operations		**(6,555,491)**	(7,562,785)
Loss for the period			
Equity of shareholders of the parent Company		**(6,555,491)**	(7,463,320)
Non-controlling interests		**-**	(99,465)
		(6,555,491)	(7,562,785)
Other comprehensive income			
Exchange differences on translation of foreign operations		**286,125**	-
Total comprehensive loss for the year net of tax		**(6,269,366)**	(7,562,785)
Total comprehensive loss attributable to:			
Equity of shareholders of the parent Company		**(6,269,366)**	(7,463,320)
Non-controlling interests	1	**-**	(99,465)
		(6,269,366)	(7,562,785)
Loss per ordinary share			
Basic and diluted			
Continuing operations	13	**(0.46)p**	(0.67)p
Discontinued operations	13	**(0.06)p**	(0.22)p
	13	**(0.51)p**	(0.89)p
Weighted average number of shares (000's)	13	**1,278,988**	848,376

All comprehensive income for continuing operations is shown above, equivalent information for discontinued activities is shown in Note 1.

The accompanying notes on pages 44 to 63 form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2015 - Financials in £

	Note	Group 2015	Group 2014
Non-current assets			
Investment property	14	**310,000**	1,197,094
Investments	15	**-**	-
Intangible assets	16	**12,743,951**	9,217,854
Plant and equipment	17	**1,002,409**	882,128
		14,056,360	11,297,076
Current assets			
Trade and other receivables	18, 23	**521,733**	591,686
Corporation tax R&D refund	18	**2,784,231**	-
Cash and cash equivalents	19, 23	**8,958,135**	1,465,149
Inventories	20	**4,418,289**	1,112,050
		16,682,388	3,168,885
Total assets		**30,738,748**	14,465,961
Current liabilities			
Trade and other payables	21	**(2,458,855)**	(2,346,263)
Borrowings	22, 23	**(1,000,000)**	(987,832)
		(3,458,855)	(3,334,095)
Non-current liabilities			
Borrowings	22	**-**	-
Deferred tax		**-**	-
Total liabilities		**(3,458,855)**	(3,334,095)
Net assets		**27,279,893**	11,131,866
Equity			
Share capital	24	**14,183,284**	10,284,439
Share premium reserve	24, 26	**32,815,156**	14,658,924
Share option reserve	27	**3,045,779**	2,020,681
Reverse acquisition reserve	28	**11,038,204**	11,038,204
Acquisition reserve	28	**-**	662,782
Exchange movements reserve	29	**(83,166)**	(369,291)
Accumulated losses		**(33,719,363)**	(27,163,872)
Equity attributable to shareholders of the Parent Company		**27,279,893**	11,131,866
Non-controlling interests		**-**	-
Total equity funds		**27,279,893**	11,131,866

These consolidated financial statements have been approved and were authorised for issue by the Board of Directors on 27 May 2016.
Signed on behalf of the Board of Directors by

Dr Michael Sinclair
Chief Executive Officer and Executive Chairman

Nicolas Serandour
Chief Operating and Financial Officer

Registered number: 05564418
The accompanying notes on pages 44 to 63 form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015 - Financials in £

	Share capital	Share premium	Share options reserve	Reverse acquisition reserve	Acquisition reserve	Exchange movement reserve	Accumulated losses	Equity share holders interest	Non-controlling interest	Total
Balance at 01 January 2014	6,044,415	6,874,185	1,478,091	11,038,204	1,462,782	(388,330)	(19,601,087)	6,908,260	-	6,908,260
Loss for the year	-	-	-	-	-	19,039	(7,463,320)	(7,444,281)	(99,465)	(7,543,746)
Total comprehensive income	-	-	-	-	-	19,039	(7,463,320)	(7,444,281)	(99,465)	(7,543,746)
Arising on issues of ordinary shares	4,240,024	7,784,739	-	-	(800,000)	-	-	11,224,762	-	11,224,762
Share based payment - cost of raising finance	-	-	30,598	-	-	-	-	30,598	-	30,598
- employee services	-	-	468,696	-	-	-	-	468,696	-	468,696
- other services	-	-	43,296	-	-	-	-	43,296	-	43,296
- acquisition of ADAM	-	-	-	-	-	-	-	-	-	-
Group provision for minority interest	-	-	-	-	-	-	(99,465)	(99,465)	99,465	-
Balance as reported 31 December 2014	10,284,439	14,658,924	2,020,681	11,038,204	662,782	(369,291)	(27,163,872)	11,131,866	-	11,131,866
Balance at 01 January 2015	10,284,439	14,658,924	2,020,681	11,038,204	662,782	(369,291)	(27,163,872)	11,131,866	-	11,131,866
Loss for the year	-	-	-	-	-	286,125	(6,555,491)	(6,269,366)	-	(6,269,366)
Total comprehensive income	-	-	-	-	-	286,125	(6,555,491)	(6,269,366)	-	(6,269,366)
Arising on issues of ordinary shares	3,898,845	18,156,232	-	-	(662,782)	-	-	21,392,295	-	21,392,295
Share based payment - cost of raising finance	-	-	62,285	-	-	-	-	62,285	-	62,285
- employee services	-	-	816,967	-	-	-	-	816,967	-	816,967
- acquisition of ADAM	-	-	119,142	-	-	-	-	119,142	-	119,142
- other services	-	-	26,704	-	-	-	-	26,704	-	26,704
Group provision for minority interest	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2015	**14,183,283**	**32,815,156**	**3,045,779**	**11,038,204**	**-**	**(83,166)**	**(33,719,363)**	**27,279,893**	**-**	**27,279,893**

The accompanying notes on pages 44 to 63 form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2015 - Financials in £

	2015			2014		
	Group continuing operations	**Group discontinued operations**	**Group**	Group continuing operations	Group discontinued operations	Group
Cash flow from operating activities						
Loss after taxation	**(5,845,155)**	**(710,336)**	**(6,555,491)**	(5,699,858)	(1,862,927)	(7,562,785)
Adjustments:						
Taxation	**(2,784,231)**	**-**	**(2,784,231)**	-	-	-
Finance costs	**151,154**	**(17,500)**	**133,654**	359,457	17,723	377,180
Finance income	**(26,805)**	**-**	**(26,805)**	8	-	8
Depreciation	**33,754**	**145,881**	**179,635**	6,123	111,493	117,616
Impairment charge for investment property	**887,094**	**-**	**887,094**	802,907	-	802,907
Loss on disposal of subsidiary	**-**	**367,080**	**367,080**	-	-	-
Waiver of mortgage debt	**-**	**-**	**-**	(499,281)	-	(499,281)
Share based payments	**1,025,098**	**-**	**1,025,098**	542,590	-	542,590
Cash flows from operations before changes in working capital	**(6,559,092)**	**(214,875)**	**(6,773,967)**	(4,488,054)	(1,733,711)	(6,221,765)
Changes in inventories	**(3,136,739)**	**30,500**	**(3,106,239)**	(1,074,851)	-	(1,074,851)
Change in trade and other receivables	**(2,841,376)**	**100,891**	**(2,740,485)**	604,828	-	604,828
Change in trade and other payables	**220,345**	**(80,225)**	**140,120**	311,725	-	311,725
Cash (used) / generated from operations	**(12,316,862)**	**(163,709)**	**(12,480,571)**	(4,646,352)	(1,733,711)	(6,380,063)
Interest paid	**(148,388)**	**-**	**(148,388)**	(178,278)	-	(178,278)
Corporation Tax Receipt	**2,784,231**	**-**	**2,784,231**	-	-	-
Cash flows from operating activities	**(9,681,019)**	**(163,709)**	**(9,844,728)**	(4,824,630)	(1,733,711)	(6,558,341)
Cash flows from investing activities:						
Cash consideration received on disposal of subsidiary undertaking	**-**	**101,207**	**101,207**	6,020	-	6,020
Disposal of plant and equipment	**-**	**462,412**	**462,412**	-	-	-
Cash disposed with subsidiary	**-**	**(92)**	**(92)**	-	-	-
Capital expenditure on intangible assets	**(3,526,097)**	**-**	**(3,526,097)**	(984,540)	-	(984,540)
Purchase of plant and equipment	**(762,329)**	**-**	**(762,329)**	(265,922)	(60,958)	(326,880)
Interest received	**-**	**-**	**-**	-	-	-
Cash flows from investment activities	**(4,288,426)**	**563,527**	**(3,724,899)**	(1,244,442)	(60,958)	(1,305,400)
Cash flows from financing activities:						
Equity share capital raised	**21,062,614**	**-**	**21,062,614**	10,158,129	-	10,158,129
Other short term loans	**-**	**-**	**-**	(978,042)	-	(978,042)
Intra Group Cash Transfers	**400,874**	**(400,874)**	**-**	(1,790,152)	1,790,152	-
Cash flows from financing activities	**21,463,488**	**(400,874)**	**21,062,614**	7,389,935	1,790,152	9,180,087
Increase/(decrease) in cash and cash equivalents	**7,494,042**	**(1,056)**	**7,492,987**	1,320,863	(4,517)	1,316,346
Cash and cash equivalents at 01 January 2015	**1,464,093**	**1,056**	**1,465,149**	143,230	5,573	148,803
Cash and cash equivalents at 31 December 2015	**8,958,135**	**-**	**8,958,135**	1,464,093	1,056	1,465,149

The accompanying notes on pages 44 to 63 form part of the financial statements.

PRINCIPAL ACCOUNTING POLICIES – GROUP

For the year ended 31 December 2015

a. Accounting convention, basis of preparation and going concern
These financial statements have been prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union and applied in accordance with the Companies Act 2006. The financial statements have been prepared on the historical cost basis modified to include certain assets and liabilities at fair value.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and opinions or statements received from competent professional advisors. These advisors include qualified valuers and financial institutions which have provided senior debt and associated facilities. The Directors have taken advantage of the exemption offered by Section 408 of the Companies Act 2006 not to present a separate statement of comprehensive income for the Parent Company.

Advanced Oncotherapy PLC ("the Company") is a company incorporated and domiciled in the UK. The nature of the operations and principal activities of the Company and its subsidiary undertakings (the "Group") are set out in the strategic report and Directors' report on pages 2 to 39. These consolidated financial statements are presented in pounds sterling because that is the predominant currency of the economic environment in which the Group operates.

The most significant assumptions in the financial statements are:

1. The values ascribed to investment properties. The investment property is valued at cost less an impairment considered necessary by the Directors to reduce the property to market value. The directors have written down the value of the investment property at Folkestone to £310,000 at 31 December 2015.
2. At 31 December 2015 the Group had net current assets of £13,223,533. This figure includes a £1 million loan which is due in under one year.
3. Acquired intangible assets- On acquisition of a business, the Company is required to value the assets acquired and recognise intangible assets on the statement of financial position. The valuation of these assets relies on various assumptions, including future revenue and costs derived from those assets and the selection of an appropriate discount rate in order to calculate the present value of those cash flows. Further information including the carrying value of intangibles acquired is given in Note 5.

In addition, the Directors have prepared trading and cash flow forecasts for the Group for the period to December 2019 as part of a five year plan. The Company raised £21 million in new equity in May 2015 and in May 2016 has secured a £24 million Vendor Financing with Metric Capital. Based on the forecasts the Directors believe that no further fund raising will be required in order to achieve this plan. Accordingly, the Financial Statements have been prepared on a going concern basis.

A summary of the Group accounting policies is set out below, together, where relevant, with an explanation of where changes have been made to previous policies on the adoption of new accounting standards in the year. Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 01 January 2015 and these have been adopted in the financial statements. None of these standards had an impact on the current or prior year results or financial position of the Company, and therefore no further disclosure is given.

b. Basis of consolidation
The consolidated financial information includes financial information in respect of the Company and all of its subsidiary undertakings.
The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Investment properties
Investment properties are properties owned or leased by the Company which are held for long term rental income and capital appreciation. Investment property is initially recognised at cost and revalued at the balance sheet date to fair value as determined by the Directors. In arriving at their assessment of the Folkestone property, the Directors take advice from professionally qualified external valuers to determine open market value.

d. Intangible assets-research and development
Development activities involve a plan or design for the production of new and innovative proton beam cancer therapy machines. Development expenditure is capitalised only if development costs can be measured reliably, the proton therapy machine is technically and commercially feasible, future economic benefits are probable, and the Company has sufficient resources available to complete development and to use, lease or sell the asset. The expenditure capitalised includes only (i) the cost of gross direct labour that is directly attributable to preparing the asset for its intended use or (ii) third-party costs incurred directly on the development activities above. Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Other research and development expenditure not meeting the above criteria is recognised in the income statement as incurred. Capitalised development costs are amortised over the period from the date the development generates revenue. As at 31 December 2015 the proton therapy machines are still in the development phase and therefore no amortisation has been recognised in the income statement. Management estimates the useful economic life of the proton machines to be 20 years once development has been completed.

e. Acquired intangible assets
Following business combinations the assets acquired are classified into tangible and intangible assets and fair values applied using the principles of IFRS 3. This leads to the creation of intangible assets recognised on the consolidated balance sheet which are amortised over their useful economic lives. The assets typically recognised are:

- Brand name
- Customer contract and relationships
- Technology assets
- In-progress research and development

f. Property, plant and equipment
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

• Fixtures and fittings	20% of cost
• Plant - SD IORT equipment	14 % to 20% of cost
• Plant - LIGHT development equipment	20% of cost
• Computer equipment	33.3% to 50% of cost
• Leasehold Improvements	are written off over the term of the lease

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

g. Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits with banks and other short-term highly liquid investments with maturities of three months or less, net of short term bank overdrafts.

h. Trade and other receivables
Trade and other receivables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash receipts over the short credit period is not considered to be material.

i. Trade and other payables
Trade and other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short credit period is not considered to be material.

j. Inventories
Inventories are stated at the lower of cost and realisable value. Cost is based on the first-in first-out principle. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling expenses.

Work in progress is valued at the cost charged for material supplies and the cost charged by sub contractors for work completed or in progress with those sub contractors. No element of Company overhead or finance cost has been included.

k. Revenue recognition
The Company's revenue is derived from the provision of cancer treatments to hospitals and the hire of cancer treating equipment to veterinarians. All revenue is reported exclusive of value added tax.

Revenue is recognised when a treatment is performed or a period of hire is complete.

l. Income taxes
The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed.

Deferred tax is provided using the balance sheet liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. It is recognised in profit or loss except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset only when they relate to taxes levied by the same authority, with a legal right to set off and when the Company intends to settle them on a net basis.

m. Pensions
The Company makes defined contributions to employees' personal pension plans. Contributions payable to the employees' schemes are recognised as an expense in the statement of comprehensive income as incurred.

n. Share based payments
The cost of granting share options and other share based remuneration to employees and Directors is recognised through the statement of comprehensive income on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. These share based payments are measured at fair value at the date of grant by use of an option pricing model known as the Black – Scholes formula.

For equity-settled transactions with non-employees, the costs are recognised through the statement of comprehensive income with measurement based on the fair value of goods or services received.

o. Foreign currencies
The assets and liabilities of foreign entities are translated into sterling at the rate of exchange ruling at the balance sheet date and their statements of comprehensive income and cash flows are translated at the average rate for the period. Exchange differences arising are transferred to reserves as a separate component of equity.

Transactions in currencies other than the entity's functional currency are recorded at the exchange rate prevailing at the transaction dates. Foreign exchange gains and losses resulting from settlement of these transactions and from re-translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

p. Financial instruments
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where appropriate the Company enters into derivative transactions such as interest rate swaps in order to manage the risks arising from its activities. Derivatives are recorded at fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the statement of comprehensive income as a finance cost. No such contracts were in place at 31 December 2015.

Loans are initially recognised net of associated transaction costs. Subsequent to initial recognition, they are stated at amortised cost.

q. Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

r. Borrowing costs
All borrowing costs are recognised in profit or loss in the period in which they are incurred.

s. Segmental reporting
As the Company's business activities were not complex, being the development and then build of the LIGHT proton beam cancer therapy device, the provision of SD-IORT cancer treatments and management of healthcare related property, management reviews information based on geographical markets and, accordingly, the operating segments are based on such a geographical split.

t. Impairment of non-current assets
At each balance sheet date, the Company reviews the amounts of its intangible fixed assets, and property, plant and equipment to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the Cash-Generating Unit ("CGU") to which the asset belongs. For non current assets excluding goodwill, the CGU is deemed to be the cash generating asset or the trading company, whichever is the smaller. For goodwill, the CGU is deemed to be the business acquired. An impairment charge is recognised in the income statement in the period in which it occurs. Where an impairment loss subsequently reverses due to a change in its original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods.

u. Standards and interpretations applied for the first time
A number of new standards and interpretations have become effective for the first time in these financial statements, albeit with no significant impact on accounting policies or disclosure.

No new standards or interpretations have been adopted early in these financial statements. The most relevant is likely to be the following but, again, no significant impact is currently anticipated:

- IFRS 15 'Revenue from Contracts with Customers', which provides a single, principles-based five-step model to be applied to all
- contracts with customers
- IFRS 16 'Leases' which specifies how IFRS reporters will recognise, measure, present and disclose leases
- Amendments to IFRS 7 Financial Instruments: Disclosures, which enhances disclosures about the Transfers of Financial Assets,
- offsetting of financial assets and financial liabilities and the initial application of IFRS 9
- IAS 16 and IAS 38 'Amendments to clarify acceptable methods of depreciation and amortisation'

NOTES TO THE ACCOUNTS – GROUP

For the year ended 31 December 2015 - Financials in £

1. Discontinued operations

	Note	2015 Healthcare related properties- UK	2015 Healthcare related properties- Germany	2015 SD-IORT Services - UK	2015 Group	2014 Healthcare related properties- UK	2014 Healthcare related properties- Germany	2014 SD-IORT Services - UK	2014 Group
Revenue	3	**-**	**-**	**84,242**	**84,242**	-	-	106,378	106,378
Cost of sales		**-**	**-**	**(109,726)**	**(109,726)**	-	-	(202,679)	(202,679)
Gross profit		**-**	**-**	**(25,484)**	**(25,484)**	-	-	(96,301)	(96,301)
Administrative expenses		**(4,997)**	**-**	**(330,275)**	**(335,272)**	(250,674)	(115,645)	(503,582)	(869,901)
Net loss on settling a dispute between the Company and the purchaser of the German business sold in 2011		**-**	**-**	**-**	**-**	-	(879,002)	-	(879,002)
Loss on disposal of Oncotherapy Resources Ltd		**-**	**-**	**(367,080)**	**(367,080)**	-	-	-	-
Operating loss		**(4,997)**	**-**	**(722,839)**	**(727,836)**	(250,674)	(994,647)	(599,883)	(1,845,204)
Finance income		**-**	**-**	**-**	**-**	-	-	-	-
Finance costs	2	**-**	**-**	**17,500**	**17,500**	-	-	(17,723)	(17,723)
Loss on ordinary activities before taxation		**(4,997)**	**-**	**(705,339)**	**(710,336)**	(250,674)	(994,647)	(617,606)	(1,862,927)

The SD-IORT business operated through Oncotherapy Resources Ltd was disposed of in November 2015. Consideration of £75,000 was received in the year with a further £25,000 due in October 2016.

Since the settlement of the dispute with the purchaser of the German healthcare business no further losses are expected. The non-controlling interest disclosed in the Consolidated Statement of Comprehensive Income for 2014 is the loss attributable to a 10% shareholder in the German healthcare related property business.

The property business in Southampton was disposed of in February 2015 and the loss on the disposal was reflected in the 2014 accounts.

2. Segment reporting

	Notes	2015 Development of Proton Therapy - UK	2015 Development of Proton Therapy - Switzerland	2015 Development of Proton Therapy - USA	2015 Healthcare related properties- UK	2015 Total - Continuing operations	2015 Discontinued operations	2015 Group
Revenue	3	**-**	**-**	**-**	**-**	**-**	**84,242**	**84,242**
Cost of sales		**-**	**-**	**-**	**-**	**-**	**(109,726)**	**(109,726)**
Gross loss		**-**	**-**	**-**	**-**	**-**	**(25,484)**	**(25,484)**
Administrative expenses		**(6,040,914)**	**(1,221,157)**	**(272,814)**	**(83,059)**	**(7,617,944)**	**(335,272)**	**(7,953,216)**
Loss on revaluation of investment properties		**-**	**-**	**-**	**(887,093)**	**(887,093)**	**-**	**(887,093)**
Loss on disposal	4	**-**	**-**	**-**	**-**	**-**	**(367,080)**	**(367,080)**
Operating loss		**(6,040,914)**	**(1,221,157)**	**(272,814)**	**(970,152)**	**(8,505,037)**	**(727,836)**	**(9,232,873)**
Finance income	7	**-**	**-**	**-**	**26,805**	**26,805**		**26,805**
Finance costs	8	**-**	**-**	**-**	**(151,154)**	**(151,154)**	**17,500**	**(133,654)**
Loss on ordinary activities before taxation		**(6,040,914)**	**(1,221,157)**	**(272,814)**	**(1,094,501)**	**(8,629,386)**	**(710,336)**	**(9,339,722)**
Capital expenditure	17	**204,955**	**555,414**	**1,960**	**-**	**762,329**	**-**	**762,329**
Total assets		**18,155,806**	**12,165,372**	**40,618**	**376,952**	**30,738,748**	**-**	**30,738,748**
Total liabilities		**(1,219,927)**	**(805,715)**	**(60,222)**	**(1,336,675)**	**(3,422,539)**	**(36,316)**	**(3,458,855)**
Net assets/(liabilities)		**16,935,879**	**11,359,657**	**(19,604)**	**(959,723)**	**27,316,209**	**(36,316)**	**27,279,893**

2. Segment reporting continued

During 2015 the Company operated in three business segments: Proton Therapy, Single Dose Intra-Operative Radiotherapy Treatment (SD-IORT) cancer treatments through its subsidiary Oncotherapy Resources Ltd ("ORL") and Healthcare related properties. The healthcare related property UK segment relates to the Company's property in Folkestone which was not disposed as part of the disposal of the Healthcare Property Company (HPC). The management team reviewed its strategic options for ORL and the healthcare related property business in order to re-focus resources solely onto the Proton Therapy segment. ORL was disposed of in November 2015, the Southampton property was sold in March 2015 and the Folkestone property is being marketed for sale.

		2014						
	Notes	Development of Proton Therapy - UK	Development of Proton Therapy - Switzerland	Development of Proton Therapy - USA	Healthcare related properties- UK	Total - Continuing operations	Discontinued operations	Group
Revenue	3	-	-	-	-	-	106,378	106,378
Cost of sales		-	-	-	-	-	(202,679)	(202,679)
Gross profit		-	-	-	-	-	(96,301)	(96,301)
Administrative expenses		(3,574,766)	(696,538)	(253,701)	(511,770)	(5,036,775)	(869,901)	(5,906,676)
Net loss on revaluation of investment and development properties		-	-	-	(802,907)	(802,907)	-	(802,907)
Loss on disposal	4	-	-	-	-	-	(879,002)	(879,002)
Operating loss		(3,574,766)	(696,538)	(253,701)	(1,314,677)	(5,839,682)	(1,845,204)	(7,684,886)
Finance income	7	-	-	-	499,281	499,281	-	499,281
Finance costs	8	-	-	-	(359,457)	(359,457)	(17,723)	(377,180)
Loss on ordinary activities before taxation		(3,574,766)	(696,538)	(253,701)	(1,174,853)	(5,699,858)	(1,862,927)	(7,562,785)
Capital Expenditure		2,242	263,679	-	-	265,921	60,958	326,879
Total assets		2,340,036	9,527,941	273,723	1,557,314	13,699,014	766,947	14,465,961
Total liabilities		(775,312)	(420,849)	(12,183)	(1,318,426)	(2,526,770)	(807,324)	(3,334,095)
Net assets/(liabilities)		1,564,724	9,107,092	261,540	238,888	11,172,243	(40,377)	11,131,866

3. Revenue

		2015	2014
Discontinued activities	SD-IORT ("ORL")	**84,242**	106,378
Total		**84,242**	106,378

ORL was disposed of in November 2015; £84,242 (2014: £106,378) represents revenues from 1 January 2015 to the date of disposal in November 2015.

Revenue from transactions where any one customer exceeded 10% of revenues was £84,242 (2014; £106,378).

NOTES TO THE ACCOUNTS – GROUP

Continued - Financials in £

4. Loss on disposal of assets

Oncotherapy Resources Ltd	**2015**	2014
Fair value of consideration		
Cash	**101,207**	-
Deferred consideration	**25,000**	-
Fair value of consideration received	**126,207**	
Fair value of assets disposed:		
Plant and equipment	**462,412**	
Working capital - receivables, payables and inventories	**30,875**	
Legal fees and other transaction costs	**-**	-
Total – fair value of assets disposed and transaction costs	**493,287**	-
Loss on disposal	**(367,080)**	-

German Healthcare Property Businesses		
Net loss on settlement agreement with purchaser	**-**	(879,002)
Total – fair value of assets disposed and transaction costs	**-**	(879,002)

The Oncotherapy Resources Ltd ('ORL') subsidiary which operated Single Dose Intra-Operative Radiotherapy Treatment (SD-IORT) cancer treatments was disposed of in November 2015.

Following a dispute between the company and the purchaser of the German business sold in 2011, regarding the balance of consideration receivable as determined by the completion accounts prepared in accordance with the sale and purchase agreement, an arbitration process was settled in November 2014. This resulted in the write down of deferred consideration and provision for further cost have been included at 31 December 2014.

There are accrued costs of £36,317 (2014: £727,099) relating to the German business.

5. Acquisitions

There were no acquisitions in the period.

6. Operating loss

	Note	**2015**	2014
Operating loss is arrived at after charging:			
Staff costs	10	**5,154,953**	3,944,333
Depreciation	17	**179,635**	117,616
Charitable donations		**5,050**	-
Research & Development Costs		**3,788,892**	1,663,255
Loss on disposal of subsidiary undertaking	1	**367,080**	879,002
Impairment charge for investment properties	14	**887,094**	802,907
Amounts payable to the Company's Auditor and their associates for:			
- audit of the Company's annual accounts		**15,000**	15,000
- audit of the Company's subsidiaries		**32,500**	32,500
- taxation compliance		**5,000**	5,000

7. Finance income

	2015	2014
Interest receivable on deposits	**26,805**	8
Gain on reduction of mortgage via debt for equity swap	**-**	499,273
Total	**26,805**	499,281

The debt for equity swap arose when the Bank of Ireland agreed to take repayment of £1,089,273 of mortgage debt by way of shares in the Company which had a fair value of £590,000 at the date of exchange. See Note 22 for further information.

8. Finance costs

	2015	2014
On mortgage finance (see Note 22)	**95,640**	202,198
On other short term loans	**55,514**	174,982
Total	**151,154**	377,180

9. Taxation on profit for ordinary activities

(a) Tax (credit) / charge comprises

	2015	2014
Current tax		
UK corporation tax charge/credit for the year	**(1,975,166)**	-
UK corporation tax charge/credit for the previous year	**(809,065)**	-
Deferred tax		
Origination and reversal of temporary differences	-	-
Total	**(2,784,231)**	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK (20.3%) (2014: 21.5%).

The differences are explained below:

	2015	2014
Loss on ordinary activities before tax	**(9,339,722)**	(7,562,785)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK at 20.3% (2014: 21.5%)	**(1,891,294)**	(1,588,185)
Effects of:	-	-
Research & Development claim this year	**(778,509)**	-
Research & Development claim prior year	**(271,583)**	-
Permanent differences	**207,582**	281,749
Capital allowances in excess of depreciation	**-**	(12,032)
Short term timing differences	**-**	-
Unprovided losses carried forward / (utilised)	**157,155**	1,318,467
Indexation allowance	**-**	-
Disposal of subsidiary companies	**-**	-
Losses sold with investments	**-**	-
Property revaluation / impairment	**-**	-
Tax credit for the year	**(2,784,231)**	-

(c) Unprovided deferred tax assets at 21.0% (2014: 23.0%)

	2015	2014
Losses carried forward	**(3,002,267)**	(3,159,422)
Accelerated capital allowances	**29,595**	29,595
Total	**(2,972,672)**	(3,129,827)

No deferred tax asset has been recognised on the grounds that it is uncertain when taxable profits will arise against which losses carried forward may be utilised.

NOTES TO THE ACCOUNTS – GROUP

Continued - Financials in £

10. Staff costs

	2015	2014
Wages and salaries	**5,058,617**	3,826,424
Social security costs	**641,580**	240,891
Pension costs	**280,811**	208,287
Other benefits	**48,888**	11,130
Capitalised cost of development project	**(1,691,910)**	(811,095)
Share based payments	**816,967**	468,696
Total	**5,154,953**	3,944,333

Staff costs include amounts of £1,691,910 (2014: £811,095) which have been capitalised within development projects during the year.

Details of employee share options are set out in note 25. Share options have been granted during 2015 and during 2014.

The monthly average number of persons employed during 2015 was 43 (2014: 23), categorised as follows:

	2015	2014
Managerial	**7**	7
Operational	**5**	3
Product Development	**22**	9
Administrative	**9**	4
Total	**43**	23

The total number of employees at 31 December 2015 was 51 (2014 - 29).

11. Directors' Remuneration

The salaries and benefits of the Directors of the Company payable by the Company for the year ended 31 December 2015 were as follows:

	Appointed	Resigned	Base salary	Bonus payment	Car allowance	Pension	Health club	Medical insurance	2015	2014
Dr Mike Sinclair	16 Jun 06		180,000	255,000	9,000	20,000	1,017	7,302	**472,319**	399,751
Sanjeev Pandya	22 Nov 13		203,500	208,260	10,176	22,406	610	4,174	**449,126**	397,944
Nicolas Serandour	27 Aug 14		165,000	151,521	8,256	16,500	610	1,443	**343,330**	111,825
Lord Evans of Watford	31 Jul 06		49,350	-	-	-	-	-	**49,350**	91,150
Tim Lebus	08 Apr 13		30,000	-	-	-	-	-	**30,000**	30,000
Michael Bradfield	26 Apr 13		30,000	-	-	-	-	-	**30,000**	32,500
Dr Enrico Vanni	01 Oct 13		52,938	-	-	-	-	-	**52,938**	46,362
Prof Chris Nutting	25 Oct 13		30,000	-	-	-	-	-	**30,000**	29,863
Dr Euan Thomson	20 Feb 14		37,539	-	-	-	-	-	**37,539**	22,603
Dr Sanjeev Kanoria	09 Oct 14		14,317	-	-	-	-	-	**14,317**	6,904
Prof Chris Boshoff	18 Mar 13	25 Oct 13	(17,342)	-	-	-	-	-	**(17,342)**	-
Paul Stacey		19 Jan 13	-	-	-	-	-	-	**-**	(70,211)
Total			775,302	614,781	27,432	58,906	2,237	12,919	**1,491,577**	1,098,691

Prof Chris Boshoff agreed to the waiver of the amounts shown above which had been accrued in previous periods.

The bonus amount paid to Dr Mike Sinclair during the year included an amount of £75,000 that related to the previous year but was not provided for in that year.

Dr Enrico Vanni elected to take his salary in shares in 2015 and 2014. Market value at the time of the share issue was £52,938 (2014: £46,362)

The Directors consider that there are no other employees who should be considered as key personnel under IFRS.

11. Directors' Remuneration continued

Directors share options

	At 01 Jan 2015	Granted during the year	Lapsed during the year	Exercised during the year	At 31 Dec 2015	Option price pence	Date of grant	Earliest exercise date	Expiry date
Michael Bradfield	20,000,000	-	-	-	20,000,000	5.0p	01 Oct 14	01 Oct 14	30 Sep 19
	-	20,000,000	-	-	20,000,000	8.0p	05 May 15	01 Jul 15	30 Jun 20
Lord David Evans	10,000,000	-	-	-	10,000,000	3.5p	30 Apr 14	30 Apr 14	29 Apr 19
Tim Lebus	-	7,500,000	-	-	7,500,000	8.0p	05 May 15	01 Jul 15	30 Jun 20
Prof Chris Nutting	5,000,000	-	-	-	5,000,000	3.0p	03 Jan 14	03 Jan 14	31 Oct 18
	2,500,000	-	-	-	2,500,000	3.5p	01 Feb 14	01 Feb 14	31 Jan 19
Sanjeev Pandya	20,000,000	-	-	-	20,000,000	3.2p	30 Apr 14	30 Apr 14	29 Apr 19
	10,000,000	-	-	-	10,000,000	3.5p	30 Apr 14	30 Apr 14	29 Apr 19
	5,000,000	-	-	-	5,000,000	5.0p	01 Oct 14	01 Oct 16	30 Sep 18
	-	10,000,000	-	-	10,000,000	8.0p	05 May 15	01 Jul 15	30 Jun 20
Nicolas Serandour	10,000,000	-	-	-	10,000,000	3.8p	01 Oct 14	01 Oct 14	30 Sep 19
	-	10,000,000	-	-	10,000,000	8.0p	05 May 15	01 Jul 15	30 Jun 20
Dr Michael Sinclair	800,000	-	-	-	800,000	29.0p	13 Sep 07	13 Sep 10	13 Sep 17
	30,000,000	-	-	-	30,000,000	3.5p	30 Apr 14	30 Apr 14	29 Apr 19
	5,000,000	-	-	-	5,000,000	5.0p	01 Oct 14	01 Oct 16	30 Sep 18
Dr Euan Thomson	5,000,000	-	-	-	5,000,000	3.5p	20 Feb 14	20 Feb 14	31 Jan 19
Dr Enrico Vanni	-	5,000,000	-	-	5,000,000	8.0p	05 May 15	01 Jul 15	30 Jun 20

In June 2015, the Company announced that Michael Sinclair, Chief Executive Officer and Chairman of the Company, had purchased an option over 30 million ordinary shares of 1 penny each in the Company ("Ordinary Shares") from Brahma AG at a cost of £300,000. The Option vested immediately, expires In June 2017 and has an exercise price of 10p per Ordinary Share.

As disclosed above, 52,500,000 (2014: 122,500,000) options have been issued to the Directors during in the year. In accordance with IFRS these have been valued in accordance with the Company's accounting policy for share options under Black Scholes as disclosed in Note 25. The fair value of these Options charged to the Consolidated Statement of Comprehensive Income was £158,960 (2014: £311,715) for the year.

Directors share warrants

	At 01 Jan 2015	Granted during the year	Lapsed during the year	Exercised during the year	At 31 Dec 2015	Option price pence	Date of grant	Earliest exercise date	Expiry date
Dr Michael Sinclair	28,500,000	-	-	(28,500,000)	-	1.1p	31 Jul 12	31 Jul 12	31 Jul 15
Dr Enrico Vanni	5,000,000	-	-	-	5,000,000	5.0p	30 Sep 13	30 Sep 13	30 Sep 18

12. Pensions

The Company operates a defined contribution pension scheme. Contributions payable for the period are charged in the statement of comprehensive income. Three Directors (2014: Two) accrued retirement benefits during the year. A charge of £58,906 (2014: £48,882) has been included in the year for the Directors.

NOTES TO THE ACCOUNTS – GROUP

Continued - Financials in £

13. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2015	2014
Loss attributable to equity holders of the Company (£'s)	**(6,269,366)**	(7,562,785)
Weighted average number of ordinary shares in issue (000s)	**1,278,988**	848,376
Loss per share (pence per share) - continuing operations	**(0.46)p**	(0.67)p
Loss per share (pence per share) - discontinued operations	**(0.06)p**	(0.22)p

Diluted loss per share

The Company has two categories of dilutive potential ordinary shares - share options and warrants. Both the Company's share options and warrants have been excluded from the calculation of diluted loss per share. These instruments could potentially be dilutive in the future.

Since the year-end and pursuant to the agreement with Metric Capital announced in May 2016, the Company has agreed to issue to Metric Capital each year during the life of the agreement warrants over 14.5 million Ordinary Shares exercisable at 16p per Ordinary Share.

14. Investment property

	Freehold	Leasehold over 50 years	Total
Investment properties			
At 01 January 2014	-	2,000,000	2,000,000
Impairment charge	-	(802,907)	(802,907)
At 31 December 2014	-	1,197,094	1,197,094
Investment properties			
At 01 January 2015	-	1,197,094	1,197,094
Impairment charge	-	(887,094)	(887,094)
At 31 December 2015	**-**	**310,000**	**310,000**

Long leasehold investment properties of £310,000 (2014: £1,197,094) have been pledged as security for a mortgage facility with Bank of Ireland.

The valuation of the medical facility at Folkestone has been reviewed by the Directors following receipt of a surveyor's report in April 2016 and they have recognised a further impairment charge of £887,094 based upon market rents and realisable value. The Directors are seeking to dispose of the building. During the year, the group incurred operating expenses of £48,873 (2014: £46,031) in respect of the investment property at Folkestone, which did not generate any rental income during the year.

	Freehold	Leasehold over 50 years	Total
Geographical analysis			
Investment properties (UK)	-	310,000	310,000
At 31 December 2015	**-**	**310,000**	**310,000**

15. Investments

	Original cost	Amounts written off	Total
Investments			
At 01 January 2014	10,786	4,766	6,020
Disposal of Investment in Iteladam (50% owned by ADAM, investment acquired as part of the ADAM acquisition)	(10,786)	(4,766)	(6,020)
At 31 December 2014	-	-	-
Investments			
At 01 January 2015	-	-	-
At 31 December 2015	**-**	**-**	**-**

16. Intangible Assets

	Total
Development costs	
At 01 January 2014	8,233,314
Additions	984,540
At 31 December 2014	9,217,854
Development Costs	
At 01 January 2015	9,217,854
Additions	3,526,097
At 31 December 2015	**12,743,951**

In accordance with IFRS, £3,526,097 (2014: £984,540) of costs relating to the development of the LIGHT proton therapy machine have been capitalised.

NOTES TO THE ACCOUNTS – GROUP

Continued - Financials in £

17. Plant and equipment

	Plant and machinery	Computer hardware and software	Fixtures, fittings and equipment	Total
Cost				
At 01 January 2015	1,049,167	29,127	3,215	1,081,509
Additions	-	110,495	651,834	762,329
Assets disposed of through the sale of Oncotherapy Resources Ltd	(798,070)	(2,100)	-	(800,170)
At 31 December 2015	**251,097**	**137,522**	**655,049**	**1,043,668**
Depreciation				
At 01 January 2015	190,717	8,238	427	199,382
Charge for the year	145,278	25,691	8,666	179,635
Assets disposed of through the sale of Oncotherapy Resources Ltd	(335,995)	(1,763)	-	(337,758)
At 31 December 2015	**-**	**32,166**	**9,093**	**41,259**
Net book value				
At 01 January 2015	858,450	20,889	2,788	882,127
At 31 December 2015	**251,097**	**105,356**	**645,956**	**1,002,409**
Cost				
At 01 January 2014	737,112	16,545	973	754,630
Additions	312,055	12,582	2,242	326,879
At 31 December 2014	1,049,167	29,127	3,215	1,081,509
Depreciation				
At 01 January 2014	79,758	1,847	161	81,766
Charge for the year	110,959	6,391	266	117,616
At 31 December 2014	190,717	8,238	427	199,382
Net book value				
At 01 January 2014	657,354	14,698	812	672,864
At 31 December 2014	858,450	20,889	2,788	882,128

18. Trade and other receivables

	2015	2014
Current receivables		
Trade receivables	**-**	73,565
VAT recoverable	**86,807**	110,084
Deferred Consideration	**25,000**	283,697
Other receivables	**3,092**	-
Prepayments	**406,834**	124,340
	521,733	591,686
Corporation tax	**2,784,231**	-
Total current receivables	**3,305,964**	591,686

Deferred consideration of £25,000 relates to a final payment due to the Company in respect of the disposal of Oncotherapy Resources Ltd.

The amount for Corporation tax was in respect of claims for Research and Development costs. Of the total, £809,065 was received in January 2016.

19. Cash and cash equivalents

	2015	2014
Cash & cash equivalents	**8,958,135**	1,465,149

20. Inventories

	2015	2014
Finished goods for resale SD-IORT	**-**	30,500
Work in progress - LIGHT	**4,418,289**	1,081,550
Total	**4,418,289**	1,112,050

All of the above items of inventory have been valued at cost. No costs relating to the LIGHT work in progress have been expensed to the income statement. £109,726 (2014: £202,679) was charged to the income statement during the year for the SD-IORT segment within Oncotherapy Resources Limited, a subsidiary which was disposed by the group during the year.

NOTES TO THE ACCOUNTS – GROUP

Continued - Financials in £

21. Trade and other payables

	2015	2014
Current		
Trade payables	**341,984**	1,142,992
Other taxes and social security	**604,735**	224,915
Customer order deposits received	**161,033**	-
Accruals and deferred income	**1,351,103**	978,356
Total	**2,458,855**	2,346,263

Trade payables in 2014 included £610,686 payable under the settlement of the dispute with the purchaser of the German healthcare property business.

22. Borrowings/(net funds)

	2015	2014
Amounts falling due within one year		
Bank loans	**1,000,000**	987,832
Total amounts falling due within one year	**1,000,000**	987,832
Total borrowings	**1,000,000**	987,832
Cash and cash equivalents	**(8,958,135)**	(1,465,149)
Net borrowings/(net funds)	**(7,958,135)**	(477,317)
The maturity profile of gross debt is as follows		
Repayable within one year	**1,000,000**	987,832
Total borrowings	**1,000,000**	987,832

Bank loans include £1,000,000 of a loan relating to the property at Folkestone. On 26th March 2014, the lender agreed to take repayment of £1,089,273 of the loan and interest by the issuance of 20,000,000 ordinary shares in the Company and also a cross guarantee from the Company.

The shares had a market value of £590,000 at the time of issue.

23. Financial instruments

The Company's principal financial instruments comprise short-term debtors and creditors, short-term bank deposits and cash. There is currently no material difference between the carrying value of financial assets and liabilities and their fair value. The prime objectives of the Company's policy towards financial instruments are to maximise returns on the Company's cash balances, manage the Company's working capital requirements and finance the Company's ongoing operations.

Capital management

The Company's policy is to maintain a strong capital base. The Company does not yet have any significant recurring revenues and finances its operations through the issue of new shares and the management of working capital. The Company's capital resources are managed to ensure it has resources available to invest in operational activities designed to generate future income. These resources were represented by £8,958,135 of cash as at 31 December 2015.

	2015	2014
Assets		
Total assets	**30,738,748**	14,465,961
Debt		
Bank borrowings	**1,000,000**	987,832
	1,000,000	987,832
Equity		
Share capital and share premium	**46,998,440**	24,943,363
Reserves	**(19,718,547)**	(13,811,497)
	27,279,893	11,131,866
Total capital	**28,279,893**	12,119,698
Debt as a % of total capital	**3.5%**	8.2%
Debt as a % of total assets	**3.3%**	6.8%

Management of financial risk

The main risks associated with the Company's financial instruments have been identified as credit risk, liquidity risk and interest rate risk. The Board is responsible for managing these risks and the policies adopted, which have remained largely unchanged throughout the year, are set out below.

Treasury policy

The Company enters into derivative transactions such as interest rate swaps and caps in order to help manage the financial risks arising from the Company's activities. The main risks arising from the Company's financing structure are interest rate risk and exchange rate risk.

Interest rate risk

The Company's bank loans were set up at interest rates linked to long term gilt rates or LIBOR for the relevant currency. In the case of the UK, the loans were fixed at that rate for the entire period of the loan.

Exchange rate risk

The Company has substantial assets, and some residual assets and liabilities, denominated in Swiss Francs (CHF), principally the assets acquired as part of the all share purchase of ADAM sa.

For a 1% change in the CHF/£ the effect would be a change of £24,768 in the net assets.

Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's assets are primarily intangible assets associated with the development of the LIGHT machine.

Projected income from these activities is dependent on the timing of those activities and therefore subject to the impact of delays in the commencement of projects and the construction process.

Maturity of loan facilities is as set out in the table in Note 22.

Continued - Financials in £

23. Financial instruments continued

Credit risk

The Company trades with credit worthy parties and monitors receivable balances on a continuous basis.

Cash at bank is held only with reputable banks with high quality external credit ratings. The Company monitors trade receivables for impairment on a case by case basis.

Maximum exposure to credit risk within the Company is equal to the carrying value of financial assets; such assets include cash and cash equivalents and trade receivables. The Company's receivables at 31 December 2014 and 31 December 2015 were not past due and were not, thus impaired.

The failure of the counterparty to a transaction in meeting its obligations under that transaction could result in the Company suffering a financial loss. The Company has experienced no bad debt in the ORL business, its customers are well respected private hospital groups and as turnover, and therefore risk, increases the Company will look to take out credit insurance on its debtor book.

	2015		2014	
	Loans and receivables	**Amortised cost**	Loans and receivables	Amortised cost
Trade and other receivables - current	**3,305,964**	**-**	591,686	-
Cash and cash equivalents	**8,958,135**	**-**	1,465,149	-
Trade and other payables	**-**	**(2,458,855)**	-	(2,346,263)
Borrowings - current	**-**	**(1,000,000)**	-	(987,832)
	12,264,099	**(3,458,855)**	2,056,835	(3,334,095)

	2015	2014
Bank debt		
Sterling denominated:		
Fixed (average 6.5% (2014: 6.5%))	**1,000,000**	987,832
Other debt		
Short term loans:		
Other short term loans (average rate 0% (2014: 0%))	**-**	-
	1,000,000	987,832

Fair values of financial assets and financial liabilities

A comparison of the fair value of the Company's financial assets and liabilities is set out below. The fair value of borrowings has been calculated by obtaining estimates of the costs involved in redeeming the current loan arrangements at 31 December 2015 and comparing these with estimates of the present value of the cash flows using market rates as at 31 December 2015.

	2015		2014	
	Book value	**Fair value**	Book value	Fair value
Trade and other receivables	**3,305,964**	**3,305,964**	591,686	591,686
Trade and other payables	**(2,458,855)**	**(2,458,855)**	(2,346,263)	(2,346,263)
Cash and cash equivalents	**8,958,135**	**8,958,135**	1,465,149	1,465,149
Bank debt	**(1,000,000)**	**(1,000,000)**	(987,832)	(987,832)

24. Share capital

The number of allotted, called up and fully paid shares is as follows:

	2015		2014	
Ordinary shares of 1p each	**Number**	**£**	Number	£
Allotted, called up and fully paid	**1,418,328,375**	**14,183,284**	1,028,443,914	10,284,439

During the year, 389,884,461 Ordinary Shares of 1p were issued at an average of 5.66p per share.

	Shares	Equity	p/Share
Issued for Cash	340,896,462	21,062,614	6.18p
Issued for other than cash	48,987,999	992,462	2.03p
Total	389,884,461	22,055,076	5.66p
Shares issued for other than cash were issued to:			
Convert debt to equity, the fair value of equity issued was equal to the fair value of the debt converted	1,843,812	81,681	4.43p
Adjust to Fair Consideration for the acquisition of ADAM sa	43,737,169	662,782	1.52p
For services supplied to the Company	2,807,018	200,000	7.13p
For Director's emoluments	600,000	48,000	8.00p

25. Share based payments

Share options and warrants- IFRS 2 share based payment expense

	2015		2014	
	Options	**Warrants**	Options	Warrants
Issued in the year for:				
Employees	**20,000,000**	**-**	44,664,000	-
Directors	**20,000,000**	**-**	95,000,000	-
Directors for services to the Company	**32,500,000**	**-**	27,500,000	-
Others for services rendered	**-**	**13,391,855**	20,500,000	5,750,000
Acquisition of ADAM	**-**	**50,216,293**	-	-
Share placing	**-**	**-**	-	22,892,250
Total	**72,500,000**	**63,608,148**	187,664,000	28,642,250

The total expense recognised for the year from share based payments was:

	2015	2014
Equity-settled share-based payment expense in income statement	**1,025,098**	542,590
Total	**1,025,098**	542,590

The fair value of all employee share options and warrants is measured using a Black Scholes model. Where share options and warrants are issued to non-employees for services, the share options and warrants are valued by the Directors by assessing the fair value of the services received. If this is not possible, the share options and warrants are measured using a Black Scholes model. Measurement inputs and assumptions are as follows:

For the options and warrants granted during the year:

	Weighted average fair value of equity instruments (pence)	Weighted average share price of equity instruments (pence)	Weighted average exercise price (pence)	Expected volatility	Option life	Risk free rate
Share options	1.21	5.06	5.28	25%	4.10	2.6%
Warrants	1.85	6.56	6.67	25%	5.00	2.6%

Continued - Financials in £

25. Share based payments continued

Share options

Share options held by Directors are disclosed in the Directors' report. The total number of options held at the year end are as follows:

Exercise period		Option price	**Share options held at 31 December 2015**	Share options held at 31 December 2014
12-Sep-11	13-Sep-18	29.00p	**2,100,000**	2,100,000
01-Sep-13	31-Aug-18	3.00p	**2,000,000**	2,000,000
03-Jan-14	31-Oct-18	3.00p	**7,500,000**	7,500,000
03-Jan-14	02-Jan-19	5.05p	**2,000,000**	2,000,000
20-Jan-14	20-Jan-19	3.75p	**2,500,000**	2,500,000
01-Feb-14	31-Jan-19	3.50p	**7,500,000**	7,500,000
14-Apr-14	13-Apr-19	2.70p	**-**	1,166,667
30-Apr-14	29-Apr-19	3.20p	**20,000,000**	20,000,000
30-Apr-14	29-Apr-19	3.50p	**90,000,000**	90,664,000
14-Apr-15	13-Apr-20	2.70p	**-**	1,166,667
01-Jul-15	30-Jun-20	8.00p	**67,500,000**	-
14-Apr-16	13-Apr-21	2.70p	**1,166,666**	1,166,666
01-Oct-16	30-Sep-17	5.00p	**6,666,667**	6,666,667
01-Oct-16	30-Sep-18	3.80p	**10,000,000**	10,000,000
01-Oct-16	30-Sep-18	5.00p	**24,000,000**	24,000,000
01-Oct-17	30-Sep-18	5.00p	**6,666,667**	6,666,667
01-Oct-18	30-Sep-19	5.00p	**6,666,666**	6,666,666
Total			**256,266,666**	191,764,000

The number and weighted average exercise prices of share options are as follows:

	2015		2014	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	**4.00p**	**191,764,000**	16.10p	4,981,408
Lapsed during the period	**3.50p**	**(5,664,000)**	15.00p	(881,408)
Exercised during the period	**2.70p**	**(2,333,334)**	-	-
Issued during the period	**7.69p**	**72,500,000**	3.80p	187,664,000
Outstanding at the end of the period	**5.13p**	**256,266,666**	4.07p	191,764,000
Exercisable at the end of the period	**3.98p**	**95,266,666**	4.00p	99,097,001

25. Share based payments continued

Warrants

Warrants held by Directors are disclosed in the Directors' report. The total number of warrants held at the year end are as follows:

Exercise period		Option price	**Share warrants held at 31 December 2015**	Share warrants held at 31 December 2014
10-Jan-11	10-Dec-16	5.00p	166,000	166,000
23-Jul-12	22-Jul-15	1.10p	-	30,000,000
23-Jul-12	12-Nov-16	1.10p	50,000,000	50,000,000
25-Sep-13	31-Jul-15	1.10p	-	34,122,682
25-Sep-13	10-Dec-16	5.00p	70,805	70,805
25-Sep-13	25-Sep-17	1.00p	2,132,668	2,132,668
30-Sep-13	29-Sep-16	5.00p	-	3,333,333
03-Oct-13	02-Oct-18	5.00p	5,000,000	5,000,000
03-Oct-13	24-Sep-17	5.00p	-	5,000,000
21-Mar-14	20-May-19	3.46p	-	2,514,463
08-Sep-14	07-Sep-19	6.00p	28,020,350	29,113,000
03-Apr-15	02-Apr-20	7.10p	46,000,000	-
01-May-15	30-Apr-20	8.00p	13,391,855	-
14-May-15	13-May-20	8.25p	4,216,293	-
Total			**148,997,971**	161,452,951

The number and weighted average exercise prices of share warrants are as follows:

	2015		2014	
	Weighted average exercise price	**Number of options**	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	**2.23p**	**161,452,951**	1.70p	141,237,756
Lapsed during the period	**-**	**-**	5.25p	(11,412,268)
Exercised during the period	**1.41p**	**(76,063,128)**	3.50p	(5,750,000)
Issued during the period	**7.38p**	**63,608,148**	5.34p	37,377,463
Outstanding at the end of the period	**4.84p**	**148,997,971**	2.23p	161,452,951
Exercisable at the end of the period	**4.84p**	**148,997,971**	2.23p	161,452,951

NOTES TO THE ACCOUNTS – GROUP

Continued - Financials in £

26. Share premium reserve

Company law restricts the applicability of the Share premium reserve of £32,815,156 (2014:£14,658,924), which may only be applied in paying unissued shares of the Company in respect of capitalisation issues and in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company.

Expenses incurred in the raising of new share capital and charged to the Share premium reserve were £1,074,858 (2014: £464,910).

27. Share option reserve

The share option reserve of £3,045,779 (2014: £2,020,681) arises owing to the provision in respect of IFRS 2 "Share based payments".

The increase of £1,025,098 in the share option reserve (2014: £78,543) relates to an annual charge in respect of options and warrants issued during 2015 as explained in Note 25, and the annual charge for options and warrants issued in earlier years, calculated as the cost of each option or warrant spread over the number of years before its maturity.

28. Reverse acquisition reserve and Acquisition reserve

Reverse acquisition reserve

The reverse acquisition reserve of £11,038,204 was created on 31 July 2006 when the Company became the legal parent of CareCapital Limited ("CCL") by way of a share exchange agreement. The business combination was regarded as a reverse acquisition under IFRS 3 whereby CCL, the legal subsidiary, is the acquirer and has the power to govern the financial and operating policies of the legal parent so as to obtain benefits from its activities.

Acquisition reserve

The acquisition reserve was created in 2014 respect of the Company's acquisition of ADAM in September 2013.
The reserve was eliminated in 2015 when the shares were issued to the vendor in accordance with the share purchase agreement.

29. Exchange movement reserve

The foreign exchange movement reserve comprises all foreign currency differences arising from the translation of the financial statements of the foreign subsidiaries.

30. Capital commitments

The Group and its subsidiaries had capital commitments of £Nil (2014: £Nil) .

31. Contingent liabilities

The Directors are not aware of any contingent liabilities at the 31 December 2015 (2014: £Nil).

32. Related party transactions

The following related party disclosures are required to be disclosed in accordance with IAS24.

	2015	2014
In 2014 the Company received charges from Senate Consulting Ltd for Directors' fees	-	45,500
Balance due to Senate Consulting Ltd at 31 December 2015	-	-
In 2014 the Company also received charges from JJ Consultancy, a business controlled by an immediate family member of Dr Sinclair, for consultancy services	-	34,200
Balance due to JJ Consultancy as at 31 December 2015	-	-
In March 2015, the Company received an unsecured loan of £2 million provided by Michael Bradfield, a director of the Company, through his investment vehicle, Fairford Capital Limited. The loan had a term of five months with an interest rate payable of 1.25% per month. The loan was repaid on 13th May.	**54,247**	-
Balance due as at 31 December 2015	-	-

33. Operating lease commitments

Total future minimum rentals payable under non-cancellable operating leases are as follows:

	2015	2014
Within one year	**141,750**	-
Between one year and two years	**283,500**	-
Between two years and five years	**236,250**	-

34. Post balance sheet events

In May 2016, the Company secured a £24 million Vendor financing agreement with Metric Capital, a pan-European private capital fund manager. This allows the London Proton Therapy Centre Limited (a joint-venture between the Company and Circle Health) to purchase the LIGHT machine and fund the operations related to the Harley Street centre.

In February 2016, the Company announced that it entered into an industrialisation agreement with Thales. This provides Advanced Oncotherapy with the support needed to move from the first LIGHT system to full commercial roll-out and a fully industrialised machine series production. As part of the agreement, Thales agreed to undertake the initial engineering studies and test facilities commissioning required to construct the custom-designed series production line. The cost of these activities will be funded by Advanced Oncotherapy and recovered through the retention of 100% gross margin on the initial LIGHT machines produced. In addition, in the future Thales intends to organise the series production so as to drive down costs, whilst operating under an appropriate quality framework.

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2015 - Financials in £

	Notes	2015	Re-stated 2014
Non-current assets			
Intangible assets	C	**1,517,462**	-
Computer hardware and software	D	**80,868**	10,693
Fixtures, fittings and equipment	D	**115,301**	2,788
Investment in subsidiaries	E	**8,758,527**	8,758,427
Trade and other receivables	F	**4,886,006**	2,041,394
		15,358,164	10,813,302
Current assets			
Trade and other receivables	F	**453,307**	96,104
Tax receivables	F	**2,784,231**	-
Cash and cash equivalents		**8,786,348**	1,110,791
Inventories	G	**4,418,289**	1,081,550
		16,442,175	2,288,445
Total assets		**31,800,339**	13,101,747
Current liabilities			
Trade and other payables	H	**(1,220,927)**	(664,605)
Total liabilities		**(1,220,927)**	(664,605)
Net assets		**30,579,412**	12,437,141
Equity			
Share capital		**14,183,284**	10,284,439
Share premium reserve		**32,815,156**	14,658,924
Share option reserve		**3,045,782**	2,020,684
Acquisition reserve		**-**	662,782
Accumulated losses		**(19,464,810)**	(15,189,688)
Total equity		**30,579,412**	12,437,141

These consolidated financial statements have been approved and were authorised for issue by the Board of Directors on 27 May 2016.

Signed on behalf of the Board of Directors by

Dr Michael Sinclair
Chief Executive Officer and Executive Chairman

Nicolas Serandour
Chief Operating and Financial Officer

Registered number: 05564418

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015 - Financials in £

	Share capital	Share premium	Share options reserve	Acquisition reserve	Accumulated losses	Total
Balance as at 01 January 2014	6,044,415	6,874,185	1,478,094	1,462,782	(6,902,147)	8,957,329
Loss for the year	-	-	-		(8,287,541)	(8,287,541)
Total comprehensive income	-	-	-	-	(8,287,541)	(8,287,541)
Issue of share capital	4,240,024	7,784,739	-	(800,000)	-	11,224,763
Issue of options and warrants	-	-	542,590	-	-	542,590
Balance as at 31 December 2014	10,284,439	14,658,924	2,020,684	662,782	(15,189,688)	12,437,141
Balance as at 01 January 2015	10,284,439	14,658,924	2,020,684	662,782	(15,189,688)	12,437,141
Loss for the year	-	-	-	-	(4,275,123)	(4,275,123)
Total comprehensive income	-	-	-	-	(4,275,123)	(4,275,123)
Issue of share capital	3,898,845	18,156,232	-	(662,782)	-	21,392,295
Issue of options and warrants	-	-	1,025,098	-	-	1,025,098
Balance as at 31 December 2015	**14,183,284**	**32,815,156**	**3,045,782**	**-**	**(19,464,811)**	**30,579,412**

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2015 - Financials in £

	2015	2014
Cash flow from operating activities		
Loss after taxation	**(4,275,123)**	(8,287,541)
Adjustments:		
Finance costs	**54,247**	97,142
Finance income	**(26,805)**	-
Depreciation	**22,267**	4,389
Taxation	**(2,784,231)**	-
Loss on asset disposal	**705,339**	-
Write down on intra group investments	**284,783**	4,615,633
Share based payments	**1,225,098**	542,590
Cash flows from operations before changes in working capital	**(4,794,425)**	(3,027,787)
Change in inventories	**(3,336,739)**	(1,081,550)
Change in trade and other receivables	**(4,173,371)**	(4,838,377)
Change in trade and other payables	**640,710**	(64,063)
Cash used in operations	**(11,663,825)**	(9,011,777)
Interest paid		
Interest Paid	**(54,247)**	(10,000)
Interest Received	**26,805**	-
Cash flows from operating activities	**(11,691,267)**	(9,021,777)
Cash flows from investing activities:		
Investment in Subsidiaries	**(1,000)**	-
Capital expenditure on intangible assets	**(1,517,462)**	-
Purchase of plant and equipment	**(204,955)**	(6,664)
Cash flows from investment activities	**(1,723,417)**	(6,664)
Cash flows from financing activities:		
Issue of Share Capital	**21,090,241**	10,158,129
Directors' loans (net of costs)	**-**	(153,041)
Other short term loans	**-**	-
Cash flows from financing activities	**21,090,241**	10,005,088
Increase in cash and cash equivalents	**7,675,557**	976,647
Cash and cash equivalents at 01 January 2015	**1,110,791**	134,144
Cash and cash equivalents at 31 December 2015	**8,786,348**	1,110,791

NOTES TO THE ACCOUNTS – COMPANY

As at 31 December 2015 - Financials in £

A. Principal accounting policies

(i) Company

The separate financial statements of the Company are presented as required by the Companies Act 2006 and in accordance with International Financial Reporting Standards as adopted by the EU.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in the Group's financial statements except as noted below.

(ii) Investment in subsidiaries

Investments in subsidiaries are carried in the Company's statement of financial position at cost less, where appropriate, accumulated impairment.

B. Company results

As permitted by Section 408 of the Companies Act 2006, the income statement for the Parent Company is not presented as part of these financial statements.

The Company's loss for the financial year was £4,275,123 (2014: £8,287,541 loss).

The audit fee for the Company is set out in Note 6 of the Group's financial statements.

C. Intangible Assets

Development Costs

At 01 January 2014	-
Additions	-
At 31 December 2014	-

At 01 January 2015	-
Additions	**1,517,462**
At 31 December 2015	**1,517,462**

In accordance with IFRS, £1,517,462 (2014: £nil) of costs relating to the development of the LIGHT proton therapy machine have been capitalised.

NOTES TO THE ACCOUNTS – COMPANY

Continued - Financials in £

D. Fixed assets

	Computer hardware and software	Fixtures, fittings and equipment	Total
2015			
Cost			
At 01 January 2015	15,993	3,215	19,208
Additions	83,776	121,179	204,955
Disposals	-	-	-
At 31 December 2015	**99,769**	**124,394**	**224,163**
Depreciation			
At 01 January 2015	5,300	427	5,727
Charge for the year	13,601	8,666	22,267
Disposals	-	-	-
At 31 December 2015	**18,901**	**9,093**	**27,994**
Net book value			
At 01 January 2015	10,693	2,788	13,481
At 31 December 2015	**80,868**	**115,301**	**196,169**
2014			
Cost			
At 01 January 2014	11,571	973	12,544
Additions	4,422	2,242	6,664
Disposals	-	-	-
At 31 December 2014	15,993	3,215	19,208
Depreciation			
At 01 January 2014	1,177	161	1,338
Charge for the year	4,123	266	4,389
Disposals	-	-	-
At 31 December 2014	5,300	427	5,727
Net book value			
At 01 January 2014	10,394	812	11,206
At 31 December 2014	10,693	2,788	13,481

E. Investment in subsidiaries

	2015
At 01 January 2015	8,758,427
Additions	1,000
Disposals	(900)
At 31 December 2015	**8,758,527**

	2014
At 01 January 2014	8,758,427
Additions	-
At 31 December 2014	**8,758,427**

The Company owned the following principal subsidiary and affiliated companies as at 31 December 2015:

Subsidiary Company		Country of Incorporation	Share class	% Holding
ADAM		Switzerland	Ordinary	100%
CareCapital Ltd		United Kingdom	Ordinary	100%
The Women's Cancer Centre Ltd	2	United Kingdom	Ordinary	100%
CareCapital (Southampton) Ltd	2	United Kingdom	Ordinary	100%
AVO Americas Inc		USA	Ordinary	100%
Advanced Oncotherapy Resources Ltd	1	United Kingdom	Ordinary	100%
AVO (China) Ltd	1 3	United Kingdom	Ordinary	100%
The London Proton Therapy Centre Ltd	1 4	United Kingdom	Ordinary	100%
AVO Proton Therapy Services Ltd	1 5	United Kingdom	Ordinary	100%
APTS Harley Street Ltd	1 5	United Kingdom	Ordinary	100%
Oncotherapy UK Ltd	1	United Kingdom	Ordinary	100%
CareCapital Gesundheitsimmobilien GmbH	1 2	Germany	Ordinary	90%
CareCapital Gesundheitsimmobilien Vervaltungs GmbH	1 2	Germany	Ordinary	90%
Gesundheitszentrum Adlershof 2 Minderheitsbeteiligungs GmbH	1 2	Germany	Ordinary	100%
Gesundheitszentrum Königs Wusterhausen 2 GmbH & Co. KG	1 2	Germany	Ordinary	100%

Notes

[1] Dormant
[2] Indirectly held
[3] Incorporated on 05 March 2015
[4] Incorporated on 06 October 2015
[5] Incorporated on 03 November 2015

F. Trade and other receivables

	2015	2014
Due greater than 1 year		
Amounts owed by subsidiary undertakings	**4,886,006**	2,041,394
Total	**4,886,006**	2,041,394
Current		
Trade receivables	**-**	23,732
Deferred consideration	**25,000**	-
VAT recoverable	**43,905**	-
Prepayments	**384,402**	72,372
	453,307	96,104
Corporation Tax	**2,784,231**	-
Total	**3,237,538**	96,104

NOTES TO THE ACCOUNTS – COMPANY

Continued - Financials in £

G. Inventories

	2015	2014
Inventories		
Work in progress - LIGHT	**4,418,289**	1,081,550
Total	**4,418,289**	1,081,550

All of the above items of Inventory have been valued at cost. No costs relating to the LIGHT work in progress have been expensed to the income statement.

H. Trade and other payables

	2015	2014
Current		
Amounts owed to subsidiary undertakings	**1,000**	-
Trade payables	**311,597**	107,353
Social security and other taxes	**258,866**	185,363
Other creditors	**125,883**	92,960
Customer deposits received	**161,033**	-
Accruals and deferred income	**362,548**	278,929
Total	**1,220,927**	664,605

I. Related party transactions

The following related party disclosures are required to be disclosed in accordance with IAS24.

	2015	2014
In 2014 the Company received charges from Senate Consulting Ltd for Directors' fees, these have been included in Note 11	-	45,500
The balance due to Senate Consulting Ltd at 31 December 2015 was	-	-
In 2014 the Company also received charges from JJ Consultancy, a business controlled by an immediate family member of Dr Sinclair, for consultancy services	-	34,200
The balance due to JJ Consultancy as at 31 December 2015 was	-	-
On March 9th, the Company received an unsecured loan of £2 million provided by Michael Bradfield, a director of the Company, through his investment vehicle, Fairford Capital Limited. The Loan had a term of five months with an interest rate payable of 1.25% per month. The loan was repaid on May 13th. Interest paid on the loan was	**54,247**	-
The balance due to Fairford Capital Ltd as at 31 December 2015 was	-	-

J. Financial instruments

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Where appropriate the Company enters into derivative transactions such as interest rate swaps in order to manage the risks arising from its activities. Derivatives are recorded at fair value based on market prices, estimated future cash flows and forward rates as appropriate. Any change in the fair value of such derivatives is recognised immediately in the statement of comprehensive income as a finance cost. No such contracts were in place at 31 December 2015.

Management of risks

Credit risk is managed as follows:

Cash at bank is held only with reputable banks with high quality external credit ratings. The Company's financial assets and liabilities are classified as follows:

	2015		2014	
	Loans and receivables	**Amortised cost**	Loans and receivables	Amortised cost
Trade and other receivables	**3,237,538**	**-**	96,104	-
Cash and cash equivalents	**8,786,348**	**-**	1,110,791	-
Trade and other payables	**-**	**(1,220,927)**	-	(664,604)
	12,023,886	**(1,220,927)**	1,206,895	(664,604)

	2015		2014	
	Book value	**Fair value**	Book value	Fair value
Trade and other receivables	**3,237,538**	**3,237,538**	96,104	96,104
Cash and cash equivalents	**8,786,348**	**8,786,348**	1,110,791	1,110,791
Trade and other payables	**(1,220,927)**	**(1,220,927)**	(664,604)	(664,604)

K. Operating lease commitments

Total future minimum rentals payable under non-cancellable operating leases are as follows:

	2015	2014
Within one year	**141,750**	-
Between one year and two years	**283,500**	-
Between two years and five years	**236,250**	-

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of Advanced Oncotherapy plc, registered in England and Wales with registered number 05564418, (the "Company" or "AVO") will be held at Royal Institute of British Architects, 66 Portland Place, London W1B 1AD on Thursday, 30 June 2016 at 12.00 hours for the following purposes:

ORDINARY BUSINESS

To consider, and if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive the report of the Directors, the Auditor's report and the audited financial statements for the year ended 31 December 2015.
2. To re-appoint Michael Bradfield as a Director of the Company.
3. To re-appoint Lord Evans of Watford as a Director of the Company.
4. To re-appoint Timothy Lebus as a Director of the Company.
5. To re-appoint Chris Nutting as a Director of the Company.
6. To re-appoint Sanjeev Pandya as a Director of the Company.
7. To re-appoint Nicolas Serandour as a Director of the Company.
8. To re-appoint Dr Michael Sinclair as a Director of the Company.
9. To re-appoint Euan Thomson as a Director of the Company.
10. To re-appoint Dr Enrico Vanni as a Director of the Company.
11. To re-appoint RPG Crouch Chapman LLP as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next AGM at which accounts are laid before the Company.
12. To authorise the Directors to determine the remuneration of the auditors.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions of which Resolution 13 and 15 will be proposed as Ordinary Resolutions and Resolution 14 will be proposed as a Special Resolution:

13. THAT the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 ("the Act"), to exercise all the powers of the Company to allot shares in the Company and/or to grant rights to subscribe for, or to convert any securities into shares in the Company, and/or the grant of rights to subscribe for or to convert any securities into Ordinary Shares up to an aggregate nominal amount of £4,580,344 (the equivalent of up to 458,034,405 Ordinary Shares), this authority to expire on the earlier of fifteen months from the date of the passing of this resolution or the conclusion of the next AGM of the Company to be held in 2017 unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or agreement which would or might require shares in the Company to be allotted and/or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares in the Company, or grant rights to subscribe for or to convert any securities into shares in the Company, in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

14. THAT, subject to the passing of Resolution 13 above, in substitution for all previous powers to the extent unused, the Directors be and are hereby unconditionally empowered pursuant to sections 570 and 571 of the Act to allot equity securities (as defined in section 560 of the Act) pursuant to the authority granted to the Directors pursuant to Resolution 13 above as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to:

    a) the allotment of equity securities in connection with a rights issue, open offer or equivalent offer in favour of the holders of Ordinary Shares and such other equity securities of the Company as the Directors may determine in which such holders are offered the right to participate in proportion (as nearly as may be) to their respective holdings of such equity securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Directors may consider necessary or expedient in connection with shares representing fractional entitlements or on account of either legal or practical problems arising in connection with the laws of any territory, or of the requirements of any recognised regulatory body or stock exchange in any territory;

    b) other than pursuant to sub-paragraph 14(a) above, the allotment of equity securities up to an aggregate nominal amount of £4,580,344 (the equivalent of up to 458,034,405 Ordinary Shares). This power shall expire on the earlier of fifteen months from the date of passing of this Resolution and upon the conclusion of the next AGM of the Company to be held in 2017 unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

15. THAT all the Ordinary Shares of 1 penny in the capital of the Company that are in issue at 6.00 p.m. on 30 June 2016 (each an Existing Ordinary Share) be consolidated into ordinary shares of 25 pence each (each a New Ordinary Share) on the basis of 1 New Ordinary Share for every 25 Existing Ordinary Shares, with each New Ordinary Share having the same rights and being subject to the same restrictions under the Articles as each Existing Ordinary Share, provided that where such consolidation results in any shareholder being entitled to a fraction of a New Ordinary Share, such fraction shall, so far as possible, be aggregated with the fractions of New Ordinary Shares to which other shareholders of the Company are entitled and the Directors of the Company be authorised to sell (or appoint any other person to sell) to any persons all the New Ordinary Shares representing such fractions and to distribute the proceeds of sale (net of expenses) in due proportion among the relevant shareholders entitled, save that no shareholder shall be entitled to recover any of such proceeds of sale unless his entitlement exceeds £5, and the proceeds of sale not so distributed shall be retained for the benefit of the Company.

By order of the Board

Dr Michael Sinclair
Chief Executive Officer and Executive Chairman

Registered Office: Level 17, Dashwood House,
69 Old Broad Street, London EC2M 1QS
27 May 2016

NOTES

1. A member entitled to attend, speak and vote may appoint a proxy or proxies to attend, speak and vote instead of him or her. A proxy need not to be member of the company. Please indicate on your form of proxy how you wish your votes to be cast in respect of the resolutions to be proposed at the said meeting. If you do not indicate how you wish your proxy to use your votes, the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. Your proxy will have the authority to vote at his discretion on any amendment or other motion proposed at the meeting, including any motion to adjourn the meeting.

2. Please note any member may vote their shares electronically at www.capitashareportal.com.

3. If you prefer to appoint some other person or persons as your proxy, strike out the words "the Chairman of the Meeting, or" and insert in the blank space the name or names preferred and initial the alteration. A proxy need not be a member of the Company. Completion of a form of proxy will not preclude a member from attending and voting in person.

4. In the case of joint holders, the signature of the holder whose name stands first in the relevant register of members will suffice as the vote of such holder and shall be accepted to the exclusion of the votes of the other joint holders. The names of all joint holders should, however, be shown.

5. If a member is a corporation, the form must be executed either under its common seal or under the hand of an officer or agent duly authorised in writing. In the case of an individual the proxy must be signed by the appointor or his agent, duly authorised in writing. The form of proxy has been sent to you by post, it may be returned by post or courier or by hand to the Company's Registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. CREST members should use the CREST electronic proxy appointment service and refer to note 6 below in relation to the submission of a proxy appointment via CREST.

   In each case the proxy appointment must be received not less than 48 hours before the time for the holding of the meeting or adjourned meeting together (except In the case of appointments made electronically) with any authority (or a notarially certified copy of such authority) under which it is signed.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members who have appointed a voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or joint service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

   Pursuant to regulation 41 (1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755) the Company has specified that only those members registered on the register of members of the Company at close of business on 28 June 2016 shall be entitled to attend and vote at the AGM in respect of the number of Ordinary Shares registered in their name at the time. Changes to the register of members after close of business on 28 June 2016 shall be disregarded in determining the rights of any person to attend and vote at the AGM.

7. Under section 319A of the Act, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:

   (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;

   (b) the answer has already been given on a website in the form of an answer to a question; or

   (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

8. The following documents will be available for inspection at the Company's registered office during normal business hours on any weekday (Saturdays, Sundays and English public holidays excluded) from the date of this notice of the Annual General Meeting until the date of the Annual General Meeting and at the place of the meeting at least 15 minutes prior to the commencement of the Annual General Meeting until its conclusion:

   (a) copies of the Directors' contracts of service;

   (b) copies of the Non-Executive Directors' letters of appointment;

   (c) a copy of the Articles of Association of the Company are available on the Investor Relations section of the Advanced Oncotherapy website (www.avoplc.com) on the Company Reports page.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

This year, fifteen Resolutions are proposed at the AGM and the purpose of each of the Resolutions is as follows:

ORDINARY BUSINESS

Resolution 1: The Report and Accounts

The Directors will present their report and the audited financial statements for year ended 31 December 2015, together with the auditors' report thereon.

Resolutions 2-10: Re-appointment of retiring Directors

The Corporate Governance Code recommends that all Directors should retire at each AGM and offer themselves for re-appointment. Each Director is therefore retiring and offering himself for re-appointment.

Resolution 11: Re-appointment of Auditors

The Company is required to appoint auditors at each AGM at which accounts are laid before shareholders, to hold office until the next such meeting. This Resolution proposes that RPG Crouch Chapman LLP be re-appointed as auditors for the current year.

Resolution 12: Auditors' remuneration

This Resolution authorises the Directors to determine the auditors' remuneration.

SPECIAL BUSINESS

Resolution 13: Authority to allot shares

Section 549 of the Companies Act 2006 stipulates that Directors cannot allot shares or rights to subscribe for shares in the Company (other than the shares allotted in accordance with an employee share scheme) unless they are authorised to do so by the shareholders in general meeting. The Directors' general authority to allot shares was granted at a General Meeting held in June 2015 and has expired. Resolution 13 seeks a new general authority from shareholders for the Directors to allot Ordinary Shares or to grant rights to subscribe for and/or to convert any securities into Ordinary Shares up to an aggregate nominal value of £4,580,344. The Directors consider it desirable that the specified amount of Ordinary Shares and/or rights to subscribe for and/or to convert any securities into Ordinary Shares be available for issue so that they can satisfy existing warrants and options and allow headroom of 15% above the currently issued shares together with existing warrants and options. Unless renewed, revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company to be held in 2017 or fifteen months from the date of the passing of the resolution, whichever is the earlier.

Resolution 14: Disapplication of pre-emption rights

If the Directors wish to allot any Ordinary Shares for cash in accordance with the authority proposed in Resolution 13, the Companies Act 2006 requires that new Ordinary Shares must generally be offered first to shareholders in proportion to their existing holdings. These are the pre-emption rights of shareholders. In certain circumstances, it may be in the interest of the Company for the Directors to be able to allot some shares for cash without having to offer them first to existing shareholders.

In line with common practice, Resolution 14 therefore seeks authority to empower the Directors to allot equity securities for cash other than in accordance with the statutory pre-emption rights, in connection with a rights issue and other pre-emptive offers and otherwise up to a maximum nominal amount of £4,580,344.

In addition, there are legal, regulatory and practical reasons why it may not always be possible to issue new shares under a rights issue to some shareholders, particularly those resident overseas. To cater for this, this Resolution also permits the Directors to make appropriate exclusions or arrangements to deal with such difficulties.

Unless renewed, revoked, varied or extended, this authority will expire at the conclusion of the next Annual General Meeting of the Company to be held in 2017 or fifteen months from the date of the passing of the resolution, whichever is the earlier.

Resolution 15: Share Consolidation

The directors of the Company propose to consolidate every 25 Ordinary shares of 1 penny each in the Company into one new Ordinary Share of 25 pence (a "New Ordinary Share") (the "Consolidation"). Having taken advice, the Directors of the Company believe this will lead to the Company having a more readily understood share price and number of shares in issue. Consequently, the Directors of the Company believe the Company's shares may be more attractive to some investors.

If this resolution is approved:

1. the Consolidation will occur after close of trading on the AIM market of the London Stock Exchange on the date of the AGM and trading in New Ordinary Shares is expected to commence the following day. As all existing ordinary shareholdings in the Company are proposed to be consolidated, the proportion of the issued ordinary share capital of the Company held by each shareholder immediately before and after the Consolidation will, save for minor adjustments as a result of the fractional entitlement provisions set out below, remain unchanged. Other than a change in nominal value, the New Ordinary Shares will carry equivalent rights under the Articles of Association to the Existing Ordinary shares currently in issue.
2. The Company will send holders of certificated Existing Ordinary Shares new share certificates in respect of the New Ordinary Shares. The new share certificates will be sent by pre-paid first class post, at the risk of the relevant holder of Ordinary Shares, to the registered address of that holder or, in the case of joint holders, to the one whose name appears first in the Register of Members.
3. Share certificates for existing Ordinary Shares will no longer be valid and should be destroyed once the new documentation is received. Until a holder of certificated Ordinary Shares receives a new share certificate, transfers of certificated Ordinary Shares will be certified against the register.
4. Shareholders who hold their entitlement in uncertificated form through CREST will have their CREST accounts adjusted to reflect their entitlement to New Ordinary Shares.
5. No shareholder will be entitled to a fraction of a New Ordinary Share. Where, as a result of the Consolidation, any shareholder of the Company would otherwise be entitled to a fraction only of a New Ordinary Share ("Fractional Shareholder"), such fractions will, in so far as possible, be aggregated with the fractions of New Ordinary Shares to which other Fractional Shareholders would be entitled to form full New Ordinary Shares ("Fractional Entitlement Shares"). These Fractional Entitlement Shares will then be sold on behalf of the relevant Fractional Shareholders. The net proceeds of the sale will be distributed in due proportion among the Fractional Shareholders. The Company will be entitled to retain, however, any entitlement worth less than £5.00.
6. Warrants and share options already in issue will be adjusted to reflect the concentrative effect of the Consolidation.

Following the Consolidation and assuming no further shares are issued between the date of this notice and the Consolidation becoming effective, the Company's issued ordinary share capital will comprise 56,733,695 New Ordinary shares. No change in the total value of the Company's issued share capital will occur, based on the price per Ordinary Share at close of business on 19 May 2016 and assuming no further Ordinary Shares are issued until the Consolidation becomes effective, it will remain approximately £93,965,182.

DIRECTORS' RECOMMENDATION

The Directors believe that the proposals in Resolutions 1 to 15 are in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend that shareholders vote in favour of each Resolution as they intend to do in respect of their own beneficial shareholdings.

COMPANY INFORMATION

DIRECTORS

Michael Bradfield †	*Non-Executive Director*
Lord David Evans*†	*Deputy Chairman*
Dr Sanjeev Kanoria(1)	*Non-Executive Director*
Tim Lebus*†	*Non-Executive Director*
Prof Chris Nutting	*Non-Executive Director*
Sanjeev Pandya	*EVP, Global Business Development*
Nicolas Serandour	*Chief Operating and Financial Officer*
Dr Michael Sinclair*	*Chief Executive Officer and Executive Chairman*
Dr Euan Thomson	*Non-Executive Director*
Dr Enrico Vanni †	*Non-Executive Director*

* Member of the Audit Committee

† Member of the Remuneration Committee

(1) Not standing for re-election

COMPANY SECRETARY

Celia Whitten, FCIS

REGISTERED OFFICE

Level 17, Dashwood House
69 Old Broad Street
London, EC2M 1QS

TRADING AND CORRESPONDENCE ADDRESS

Third Floor, Clearwater House
4-7 Manchester Street
London, W1U 3AE

REGISTERED NUMBER

05564418 (England and Wales)

WEBSITE

This annual report and other information about Advanced Oncotherapy plc, including share price information and details of results announcements, are available at **www.avoplc.com**

AUDITORS

RPG Crouch Chapman LLP
62 Wilson Street
London, EC2A 2BU

NOMINATED ADVISOR AND JOINT BROKER

Stockdale Securities Limited
Beaufort House
15 St. Botolph Street
London, EC3A 7BB

JOINT BROKER

Beaufort Securities Ltd
131 Finsbury Pavement
London, EC2A 1NT

SOLICITORS TO THE COMPANY

Faegre Baker Daniels LLP
7 Pilgrim Street
London, EC4V 6LB

David Conway & Co
1 Great Cumberland Place
London, W1H 7AL

PUBLIC RELATIONS

Walbrook PR Limited
4 Lombard Street
London, EC3V 9HD

REGISTRARS

Capita Asset Services plc
The Registry
34 Beckenham Road
Beckenham, BR3 4TU

Annual report 2015

Powerful technology to treat cancer
with pinpoint precision

ADVANCED
ONCOTHERAPY