

OncoSil Medical Limited

ABN: 89 113 824 141

Financial Statements

For the Year Ended 30 June 2015

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

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OncoSil Medical Limited and its controlled entities
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Corporate Directory

For the Year Ended 30 June 2015

Directors

Dr Roger Aston, Non-Executive Chairman
Mr Daniel Kenny, CEO and Managing Director
Mr Martin Rogers, Non-Executive Director

Company Secretaries

Mr Peter Casey
Mr Nicholas Falzon

Registered Office

Suite 807, Level 8, 1 Alfred Street
Sydney, New South Wales 2000
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F: +61 2 9252 3988

Share Registry

Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153
T: +61 8 9315 2333
F: +61 8 9315 2233

Website

www.oncosil.com.au

Auditors

Crowe Horwath Perth
Level 6
256 St Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
341 George Street
Sydney NSW 2000

Solicitors

K&L Gates
Level 25, South Tower
525 Collins Street
Melbourne VIC 3000

Davies Collison Cave
255 Elizabeth Street
Sydney NSW 2000

Stock Exchange

ASX Limited
Level 2, Exchange Plaza
2 The Esplanade
Perth WA 6000

ASX Code

OSL - Shares

Chairman's Report

For the Year Ended 30 June 2015

Dear Shareholder,

It gives me great pleasure to present the Annual Report for OncoSil Medical Limited for 2014-15, and I would like to thank all shareholders for their continued support.

The past year coincided with a period of substantial change and significant progress for the Company. In September 2014, I was appointed as Executive Chairman replacing Martin Rogers who has continued to support the company as non-executive Director.

In November 2014 the Company announced the appointment of Daniel Kenny as the new CEO and Managing Director to execute the Company's growth plans. Mr Kenny is an accomplished and proven business leader and his leadership will prove invaluable as we move towards registration and commercialisation of OncoSil™. Mr Kenny replaced Dr Neil Frazer as CEO and Managing Director.

In March following an extensive strategic clinical and regulatory review, the Company announced its intention to file for CE Mark in both pancreatic and primary liver cancer indications. Actively pursuing primary liver cancer (HCC), not only effectively doubles the market potential for OncoSil™ but also builds on substantive clinical data undertaken by the Singapore General Hospital with the Oncosil implant.

Entering the primary liver cancer market represents a new market opportunity estimated to be worth US\$1.4 billion and the estimated total market opportunity for OncoSil™ in pancreatic cancer exceeds US\$1 billion dollars. During the course of the year considerable progress has been made towards achieving the CE Mark.

The CE Mark will facilitate commercialisation in the EU and other significant markets in Singapore, Canada and Australia.

In April the Company was awarded ISO 13485 certification for the design, development and control of manufacture of our device. By achieving ISO certification OncoSil Medical has met a key requirement for the CE Mark. Importantly, the Company remains on track to secure both the CE Mark for pancreatic and primary liver cancer and an FDA Investigational Device Exemption (IDE) approval for pancreatic cancer in Q3 and Q4 respectively.

In order to effectively achieve our Global Registration Plan one of the key goals has been the establishment of a high performing Executive management Team. The appointment of Dr Ash Soman as Chief Medical Officer is a key strategic addition to the OncoSil Medical's Executive Management Team. He will play a key role in the upcoming regulatory approvals process and commercialisation. Noting the critical role of Medical Affairs at OncoSil, Dr Michelle Bradney joined the company in July. She will report to Dr Soman and will be responsible for Key Opinion Leader development, Advisory Boards and Protocol Development.

In addition our Regulatory Affairs Team has also been expanded with the addition of Nicole Wilson as Regulatory Affairs Manager. Nicole joins OncoSil Medical from Sirtex Medical where she served 6 years as Global Regulatory Affairs Manager and was instrumental in helping Sirtex Medical secure multiple approvals in the EU, Asia and the US.

It is pleasing as Chairman to report the strong progress to date in these diseases with poor prognoses, however it is exciting to also consider the year ahead which promises to be a significant landmark period for OncoSil Medical as we achieve our first regulatory approval and first commercial sale of OncoSil™.

I look forward to sharing news of these and other achievements with you in the year ahead.

Yours sincerely
Roger Aston



Non-Executive Chairman
OncoSil Medical Ltd

OncoSil Medical Limited and its controlled entities

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Directors' Report

30 June 2015

The directors present their report, together with the financial statements of the Group, being OncoSil Medical Limited and its controlled entities (the Group), for the financial year ended 30 June 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

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

Names	Position	Appointed/Resigned
Dr Roger Aston	Non-Executive Chairman	
Mr Daniel Kenny	CEO and Managing Director	Appointed 28 November 2014
Mr Martin Rogers	Non-Executive Director	
Dr Neil Frazer	Managing Director	Resigned 28 November 2014
Mr Lawrence Gozlan	Non-Executive Director	Resigned 4 May 2015

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

Dr Roger Aston **Non-Executive Chairman**

Qualifications and Experience

Roger Aston is both a scientist and seasoned biotechnology entrepreneur, with a B.Sc. (Hons) and Ph.D. degrees at the University of Manchester.

Dr Aston has been closely involved in start-up companies and major pharmaceutical companies. Aspects of his experience include FDA and EU product registration, clinical trials, global licensing agreements, fundraising through private placements, and a network of contacts within the pharmaceutical, banking and stock broking sectors.

Dr Aston has also held Directorships/Chairmanships with Clinuvel Ltd, HalcyGen Ltd, and Ascent Pharma Health Ltd, was a member of the AusIndustry Biological Committee advising the Industry Research and Development Board. More recently, Dr Aston was Executive Chairman of Mayne Pharma Group from 2009 to 2011 and later, CEO of Mayne Pharma Group. Dr Aston is currently a Director of Regeneus Ltd, Immuron Ltd, Pitney Pharmaceuticals Ltd, PharmAust Ltd and ResApp Ltd.

Interest in Shares and Options

Dr Aston currently holds 13,016,547 ordinary shares in OncoSil Medical.

Mr Daniel Kenny **CEO and Managing Director (appointed 28 November 2014)**

Qualifications and Experience

Daniel Kenny has 30 years' experience in the Global Pharmaceutical and Medical Device Industry. Mr Kenny commenced his career undertaking clinical research in the fields of ophthalmology and HIV/AIDS prior to joining the pharmaceutical industry. Mr Kenny's industry career experience extends to FDA & EU product and device registration, clinical development, marketing & sales, in-licensing and business development.

Prior to working with OncoSil Medical Mr Kenny held senior executive appointments with ABIVAX, Baxter International and Roche. He is a graduate in Physics from the University of New South Wales and has completed Executive business studies at both INSEAD and London Business School. He is a graduate of the Australian Institute of Physics and is a member of Australian Institute of Company Directors.

Interest in Shares and Options

Mr Daniel currently holds 12,000,000 ordinary shares in OncoSil Medical.

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Directors' Report

30 June 2015

Mr Martin Rogers
Non-Executive Director

Qualifications and Experience

Martin Rogers is a successful start-up investor and company director. Mr Rogers has Chemical Engineering and Science degrees and has a depth of experience in incubating companies and publicly listed organisations.

Mr Rogers has experience in all aspects of financial, strategic and operational management and has helped raise over \$100m cash equity. Mr Rogers has been both an investor and senior executive in a private funded advisory business in the science and biotechnology sectors, where he was instrumental in significantly increasing the value of those investments. Mr Rogers also holds a number of not-for-profit roles. Mr Rogers is also Chairman of Actinogen Ltd, non-executive director of Rhinomed Ltd.

Interest in Shares and Options

Mr Rogers currently holds 10,312,532 ordinary shares in OncoSil Medical and 19,000,000 options.

Dr Neil Frazer
Managing Director (resigned 28 November 2014)

Qualifications and Experience

Dr Frazer has more than 25 years of drug development experience in multiple therapeutic areas, including more than six years of oncology drug development experience. Dr. Frazer commenced his medical career as an UK-based anaesthetist working in the UK National Health Service. He has worked in Europe and in the US conducting Phase I-IV studies, which have led to product registrations in multiple jurisdictions. Prior to working with OncoSil, Dr Frazer held senior management roles with Glaxo and Glaxo-Wellcome, Clintrials Research, and had also held executive medical roles with Prima BioMed, PharmaLinkFHI (eCRO), Shire Pharmaceuticals, Erimos Pharmaceuticals and Chimerix, Inc.

Mr Lawrence Gozlan
Non-Executive Director (resigned 4 May 2015)

Qualifications and Experience

Mr Gozlan is a highly experienced and successful biotechnology industry professional, with particular expertise in investment management and corporate advice in the life science sector. He is the founder and Chief Investment Officer of specialised global life sciences investment fund, Scientia Capital. The business manages investments for high net worth individuals, family offices and institutional investors seeking exposure to the biotechnology industry. Prior to establishing Scientia Capital, Mr Gozlan managed Australia's largest biotechnology investment portfolio, as Queensland Investment Corporation's (QIC) institutional biotechnology analyst. QIC is a funds manager with more than AU\$60 billion under management. He has also held roles with Foster Stockbroking, as the senior biotechnology analyst in the equities team and Deloitte, where he provided corporate advice for life science companies. Mr Gozlan is currently a Director of Prana Biotechnology Ltd, a Director of Ausbiotech Ltd and a number of private healthcare companies. He holds a Bachelor of Science with Honours in microbiology and immunology from the University of Melbourne.

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Directors' Report

30 June 2015

Principal activities

The principal activities of the Company during the financial year focused on the development of its lead product candidate, the OncoSil™ localised radiation therapy for the treatment of pancreatic cancer.

There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating results

The consolidated loss of the Group amounted to \$2,879,031 (2014 restated loss: \$7,168,780), after providing for income tax.

Review of operations

OncoSil Medical Limited is a clinical stage Australian biotechnology development company focused on the development of new radiotherapy technology for the treatment of cancer. OncoSil Medical's core clinical program is the development of the OncoSil™ brachytherapy (internal radiation therapy) product for the treatment of pancreatic cancer and primary liver cancer.

The activities and developments during the year ended 30 June 2015 are presented as follows:

On 9 September 2014 Dr Roger Aston was appointed Executive Chairman replacing non-executive Chairman Martin Rogers who assumed the role of non-executive Director. In March 2015, Dr Roger Aston assumed the role of Non-executive Chairman.

On 11 November 2014 the Company announced that Mr Daniel Kenny had been selected as CEO to drive the Company's corporate objectives for OncoSil™. Following the Company's AGM on 28 November, Mr Kenny was also appointed as Managing Director at which time Dr Neil Frazer resigned as a director of the company.

In early December the Company initiated a CE Mark and IDE technical design dossier gap analysis assessment of OncoSil™ with a view to developing an action plan for Global Registration for the device. The Company is aggressively pursuing its Global Registration Plan and aims to secure CE Mark in Q3, 2015 and US FDA IDE approval in Q4 2015.

In March the Company announced its intention to file for CE Mark in both pancreatic and primary liver cancer indications. The decision to actively pursue the primary liver cancer indication (HCC) came as a result of a detailed clinical and regulatory review.

Moving forward this decision will result in the Company delivering a broader development program targeting two difficult to treat cancers. On April 27 the Company was pleased to announce that it had been awarded ISO 13485 Certification for the design, development and control of manufacture of radioactive implantable medical device in the area of oncology.

ISO 13485 is recognised globally as the best quality practice within the medical device industry. By achieving ISO 13485 certification OncoSil Medical has met a key requirement for the CE Mark under the European Union Active Implantable Medical Directive for its device OncoSil™

In May Professor Pierce Chow, Professor at Duke-NUS Graduate Medical School and Senior Consultant Surgeon at the National Cancer Centre Singapore was appointed Chairman of the Primary Liver Cancer Scientific Advisory Board. Professor Chow is also a member of the OncoSil Pancreatic Cancer Clinical Advisory Board. The appointment represents a major endorsement of the Company's plans to actively pursue the primary liver indication (HCC). Professor Chow is acknowledged as a global leader in oncology with particular emphasis on HCC, and the development of medical devices.

On 3 June 2015 the Company announced the appointment of Dr Ashish Soman as Chief Medical Officer. Dr Soman is a highly experienced medical professional and pharmaceutical industry executive with more than 24 years' experience, and his appointment is a key strategic addition to OncoSil Medical's executive leadership team.

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Directors' Report

30 June 2015

The Company is well funded to pursue its corporate objectives with cash reserves of \$6.1 million as at 30 June 2015. The Board continues to monitor expenditure and clinical development activity closely.

Events after the reporting date

On 6 August 2015 the OncoSil Pancreatic Cancer Clinical Advisory Board met in Sydney to discuss the Clinical Development program for the OncoSil™ device. Detailed expert advice was received from the following advisory board members:

Professor Joe Herman, Radiation Oncologist, Johns Hopkins Sidney Kimmel Comprehensive Cancer Center Baltimore, USA

Professor Pierce Chow, Surgical Oncologist at Duke-NUS Graduate Medical School, Singapore

Professor Stephen Clarke, Medical Oncologist, Royal North Shore Hospital, Sydney

Professor Richard Epstein, Medical Oncologist, St Vincent's Hospital, Sydney

Professor Dale Bailey, Principle Physicist, Department of Nuclear Medicine, Royal North Shore Hospital, Sydney

Corporate and business development

Board and Management

During the year, OncoSil Medical continued to strengthen its board and management to best position the Company to achieve its corporate objectives. In November 2014, Mr Daniel Kenny was appointed CEO and Managing Director. Dr Roger Aston was appointed as Executive Chairman on 9 September 2014 and held the role until March 1st when he became Non-Executive Chairman. Mr Martin Rogers moved from the role of Non-Executive Chairman to Non-Executive Director on 9 September 2014. In May 2015, Mr Lawrence Gozlan resigned from the Company's board as a Non-executive Director.

The Medical Affairs team was bolstered in June 2015 with the appointment of Dr Ashish Soman as Chief Medical Officer, and in July 2015 when Dr Michelle Bradney was appointed as Vice President Medical Affairs. Other senior appointments included Ms Nicole Gaddi and Ms Nicole Wilson as Regulatory Affairs Managers in February and August 2015 respectively. In addition, Mr David James was appointed as Global Manufacturing Head in February 2015, and Ms Aurore Mulkens as Quality and Training Manager in March 2015. Each of these appointments bring highly relevant industry experience to the management team as the OncoSil™ device progresses rapidly toward commercialisation.

Financial position

Liquidity and capital resources

The cash flow statement shows that cash and cash equivalents at year ended 30 June 2015 were \$2,522,626 (2014: \$2,738,997). In addition to this amount the Group also holds \$3,597,675 (2014: \$4,349,657) of financial assets at fair value, giving the Group access to \$6,120,701 (2014: \$7,860,395) of cash.

Dividends paid or recommended

No dividend has been paid or recommended by the Directors since the commencement of the financial year.

Significant changes in state of affairs

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

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Directors' Report

30 June 2015

Future developments and results

The Board of OncoSil Medical continues to review and invest in its current assets and continues to monitor expenditure very closely.

Environmental issues

The Directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment. There have been no known breaches by the Company during the financial year.

The Clean Energy Bill 2012 will have an indirect impact on the Group due to increased costs.

Company secretaries

The following persons held the position of Group secretary at the end of the financial year:

Mr Peter Casey

Qualifications and Experience

Mr Casey is a highly successful senior finance executive and has significant financial expertise and experience, including extensive company secretarial knowledge. Mr Casey has worked for a private investment group as a senior finance executive with a wide range of duties, for more than 20 years. His responsibilities over this time have included financial reporting, governance and compliance, in addition to serving as Company Secretary throughout that period. He is a Chartered Accountant and a member of the Australian Institute of Company Directors. Mr Casey has a Bachelor of Arts degree, majoring in Accounting from Macquarie University.

Mr Nicholas Falzon

Qualifications and Experience

Nicholas Falzon is a partner at PKF working with a number of listed and unlisted companies advising them on all aspects of their financial management. He works predominantly with growth phase companies and one of his special areas is R & D Tax Incentive.

In addition to his tax expertise Nicholas adds value to his clients through his extensive business management, corporate finance and compliance related experience.

Nicholas is also the chairman of Dawson Sports Group Pty Ltd.

Meetings of directors

During the financial year, 8 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Dr Roger Aston	8	8
Mr Daniel Kenny	6	6
Mr Martin Rogers	8	8
Dr Neil Frazer	2	2
Mr Lawrence Gozlan	6	6

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Directors' Report

30 June 2015

Remuneration report (audited)

Remuneration policy

This report outlines the remuneration arrangements in place for Directors and Key Management Personnel of OncoSil Medical Limited.

The performance of the Company depends upon the quality of its Directors and Key Management Personnel.

The OncoSil remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Remuneration Structure

The Board of Directors is responsible for determining and reviewing compensation arrangements for Executive Directors and the senior management team.

The Board assesses the appropriateness of the nature and amount of emoluments on a periodic basis by reference to the relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Key Management Personnel. Such employees are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

All Directors and Key Management Personnel may be entitled to annual bonuses payable upon the achievement of annual corporate or profitability measures. OncoSil seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically the incorporation of incentive payments based on achievement of approved targets.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

The Directors of OncoSil Medical and their positions held are as follows:

- Dr Roger Aston Director (appointed 28 March 2013)
- Mr Daniel Kenny CEO and Managing Director (appointed 28 November 2014)
- Mr Martin Rogers Director (appointed 3 April 2013)
- Dr Neil Frazer CEO and Managing Director (appointed 2 July 2013 / resigned 28 November 2014)
- Mr Lawrence Gozlan Non-Executive Director (appointed 27 February 2014 / resigned 4 May 2015)

Principles Used to Determine the Nature and Amount of Remuneration

Senior Manager and Executive Director Remuneration

Objective

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- Reward Executives for Company and individual performance against targets set by reference to appropriate benchmarks;

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Directors' Report

30 June 2015

- Align the interests of Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure

Executive Directors are contracted to the Company either on a consultancy basis with remuneration and terms stipulated in individual consultancy arrangements or pursuant to an employment contract with remuneration and terms stipulated in individual employment agreements.

Company Performance

The table below shows the gross revenue, losses and earnings per share for the last three years for the Company.

	2013	2014	2015
	\$	\$	\$
Revenue	87,711	305,225	2,801,525
Net Loss	(879,168)	(6,864,829)	(2,879,031)
(Loss) per share (cents per share)	(0.70)	(1.40)	(0.81)

Remuneration details for the year ended 30 June 2015

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of benefits and payments

2015	cash salary fees	short term		post employment		equity shares & options	\$
		bonus	non monetary	pension and superannuation	other post employment		
	\$	\$	\$	\$	\$	\$	\$
Directors							
Dr Roger Aston	110,069	-	-	10,457	-	18,699	139,225
Mr Daniel Kenny	118,182	-	-	11,227	-	112,193	241,602
Mr Martin Rogers	79,992	-	-	7,392	-	-	87,384
Dr Neil Frazer (1)	120,000	-	-	15,064	57,723	(327,651)	(134,864)
Mr Lawrence Gozlan	60,027	-	-	-	-	186,390	246,417
	488,270	-	-	44,140	57,723	(10,369)	579,764

2014	cash salary fees	short term		post employment		share based payments options and rights	\$
		bonus	non monetary	pension and superannuation	other post employment		
	\$	\$	\$	\$	\$	\$	\$
Directors							
Dr Roger Aston	54,920	30,000	-	5,080	-	-	90,000
Mr Martin Rogers	79,992	50,000	-	7,392	-	-	137,384
Mr Lawrence Gozlan	11,667	-	-	-	-	18,138	29,805
Dr Neil Frazer	180,000	50,000	-	16,650	-	327,651	574,301
Mr David McAuliffe	27,157	-	-	-	24,000	-	51,157
	353,736	130,000	-	29,122	24,000	345,789	882,647

- (1) Resigned as Director on 28 November 2014, equity shares were effectively cancelled resulting in a reversal in share based payment expense.

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Directors' Report

30 June 2015

KMP shareholdings

	Balance at beginning of year	Received on options exercised	Other changes	Balance at end of year
2015				
Dr Roger Aston	11,016,547	2,000,000	-	13,016,547
Mr Daniel Kenny	-	12,000,000	-	12,000,000
Mr Martin Rogers	10,312,532	-	-	10,312,532
Dr Neil Frazer	26,115,384	-	(20,000,000)	6,115,384
Mr Lawrence Gozlan	7,500,000	-	-	7,500,000

KMP option holdings

	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at end of year	Vested and exercisable at end of year
2015						
Dr Roger Aston	-	-	-	-	-	-
Mr Daniel Kenny	-	-	-	-	-	-
Mr Martin Rogers	19,000,000	-	-	-	19,000,000	19,000,000
Dr Neil Frazer	-	-	-	-	-	-
Mr Lawrence Gozlan	-	-	-	-	-	-

Indemnification and insurance of officers and auditors

During the financial year the Company paid insurance premiums to indemnify all Directors and Executive Officers of the Company, against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors or Officers of the Company, except where the liability arises out of conduct involving a lack of good faith.

The contract stipulates that the Company will insure Directors or Officers against costs incurred in defending proceedings for conduct involving:

- (a) a breach of duty; or
- (b) a contravention of Section 182 or 183 of the Corporations Act, as permitted by section 199B of the Corporations Act 2001.

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred as auditor.

Proceedings on behalf of company

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

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

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Directors' Report

30 June 2015

Non-audit services

No fees were paid or payable to the external auditors for non-audit services provided during the year ended 30 June 2015 (2014: Nil)

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2015 has been received and can be found on page 49 of the financial report.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Dr Roger Aston
Non-Executive Chairman



Dated this 28th day of August 2015

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Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2015

		Consolidated	
	Note	2015 \$	Restated 2014 \$
Other income	2	2,801,525	619,848
Employment expenses	3	(1,321,840)	(1,140,441)
Occupancy		(265,521)	(205,742)
Finance and legal expenses	3	(212,564)	(214,222)
Consulting		(1,212,094)	(916,188)
Research		(1,741,810)	(947,620)
Intangible asset written off	10	-	(2,647,726)
Other administration expenses	3	(595,506)	(834,121)
Gain/(loss) on foreign exchange		(22,144)	(143,472)
Share based payments		(309,077)	(435,145)
Loss before income tax		(2,879,031)	(6,864,829)
Income tax benefit	4	-	-
Loss for the year		(2,879,031)	(6,864,829)
Other comprehensive income		-	-
Other comprehensive income/(loss), net of income tax		-	-
Total comprehensive loss for the year		(2,879,031)	(6,864,829)
(Loss) per share			
Basic and diluted (loss) per share (cents per share)	18	(0.81)	(1.40)

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

As At 30 June 2015

		Consolidated	
	Note	2015 \$	Restated 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	2,522,626	2,738,997
Trade and other receivables	6	75,103	136,820
Financial assets at fair value through profit or loss	7	3,597,675	4,349,657
Other current assets	8	1,156,655	2,391,066
TOTAL CURRENT ASSETS		7,352,059	9,616,540
NON-CURRENT ASSETS			
Property, plant and equipment	9	55,089	16,586
Intangible assets	10	-	-
TOTAL NON-CURRENT ASSETS		55,089	16,586
TOTAL ASSETS		7,407,148	9,636,126
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	11	170,857	36,382
Employee benefits	13	65,185	32,331
Other liabilities	12	209,657	52,009
TOTAL CURRENT LIABILITIES		445,699	120,722
TOTAL LIABILITIES		445,699	120,722
NET ASSETS		6,961,449	9,512,404
EQUITY			
Issued capital	14	23,806,347	23,785,514
Reserves	15	1,866,643	1,557,566
Retained (Loss)		(18,711,540)	(15,830,676)
TOTAL EQUITY		6,961,449	9,512,404

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

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Statement of Changes in Equity

For the Year Ended 30 June 2015

	Issued Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Option Reserve \$	Total Equity \$
Total Equity at 1 July 2014 (Restated)	23,785,514	(15,830,676)	852,670	704,896	9,512,404
Comprehensive loss					
Loss for the year	-	(2,879,031)	-	-	(2,879,031)
Other comprehensive loss for the year	-	-	-	-	-
Total comprehensive loss for the year	-	(2,879,031)	-	-	(2,879,031)
Transactions with owner in their capacity as owner, and other transfers					
Shares issued during the year (net of transaction costs)	20,833	-	-	-	20,833
Options issued during the year	-	(1,833)	309,077	-	307,244
Total transactions with owner in their capacity as owner, and other transfers	20,833	(1,833)	309,077	-	328,077
Total Equity at 30 June 2015	23,806,347	(18,711,540)	1,161,747	704,896	6,961,499

	Issued Capital \$	Accumulated Losses \$	Share Based Payment Reserve \$	Option Reserve \$	Total Equity \$
Total Equity at 1 July 2013	13,888,590	(8,960,445)	417,525	704,896	6,050,566
Comprehensive loss					
Loss for the year (Restated)	-	(6,864,829)	-	-	(6,864,829)
Other comprehensive loss for the year	-	-	-	-	-
Total comprehensive loss for the year (Restated)	-	(6,864,829)	-	-	(6,864,829)
Transactions with owner in their capacity as owner, and other transfers					
Shares issued during the year (net of transaction costs)	9,896,924	-	-	-	9,896,924
Options issued during the year	-	(5,402)	435,145	-	429,743
Total transactions with owner in their capacity as owner, and other transfers	9,896,924	(5,402)	435,145	-	10,326,667
Total Equity at 30 June 2014 (Restated)	23,785,514	(15,830,676)	852,670	704,896	9,512,404

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Consolidated Statement of Cash Flows For the Year Ended 30 June 2015

	Consolidated	
	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers and employees	(3,199,173)	(6,937,974)
Dividends received	118,624	59,062
Interest received	152,213	194,691
Interest paid	-	(344)
R&D tax Incentive	2,757,177	314,623
Net cash provided by (used in) operating activities	25 (171,159)	(6,369,942)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(45,212)	(15,816)
Payment for held-to-maturity investments	-	(4,282,907)
Net cash used in investing activities	(45,212)	(4,298,723)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	-	10,325,659
Share issue costs	-	(428,735)
Net cash provided by used in financing activities	-	9,896,924
Net increase (decrease) in cash and cash equivalents held	(216,371)	(771,741)
Cash and cash equivalents at beginning of year	2,738,997	3,510,738
Cash and cash equivalents at end of financial year	5 2,522,626	2,738,997

The accompanying notes form part of these financial statements.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

OncoSil Medical Limited (the 'Company') is a company domiciled in Australia. The address of the Company's registered office is Suite 807, Level 8, 1 Alfred Street, Sydney, New South Wales. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiary (together referred to as the 'Group' and individually as 'Group entities').

The financial report of OncoSil Medical Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 27 August 2015.

OncoSil Medical Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX).

OncoSil Medical Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated. The financial statements are for the Group consisting of OncoSil Medical Limited and its subsidiaries.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and the notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Except for the cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets.

The financial report is presented in Australian dollars.

OncoSil Medical Limited is a listed public Company, incorporated in Australia and operating in Australia and the United Kingdom. The entity's principal activities are biotechnology development.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OncoSil Medical Limited ('Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. OncoSil and its subsidiaries are referred to in this financial report as the Group.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-Group transactions have been eliminated in full.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(b) Principles of Consolidation (cont'd)

Subsidiaries are all those entities over which the company has control. The company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Unrealised gains or transactions between the Group and its subsidiary are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the subsidiary has been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Property, Plant and Equipment

Plant and equipment is stated at cost less where applicable, any accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and Equipment	3 to 15 years
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Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

(d) Intangible Assets

Relates to the cost of acquisition of patents and other intellectual property at the time of acquisition and are subsequently stated at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on research activities is recognized as an expense in the period in which it is incurred. Australian Accounting Standards require capitalisation of development expenditures provided if, and only if, certain criteria can be demonstrated.

An intangible asset arising from development is recognised only if the Group can demonstrate all of the following conditions:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the probability that the asset created will generate future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development. loans and receivables.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(e) Impairment of assets

At the end of each reporting period, the Group determines whether there is an evidence that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- financial assets at fair value through profit or loss;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and most other receivables fall into this category of financial instruments.

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Impairment of Financial Assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

In the case of available for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

Impairment of Financial Assets (cont'd)

If there is objective evidence, that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Revenue and other income

Interest revenue

Interest is recognised using the effective interest method.

(i) Income Tax

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

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

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

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

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

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

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

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(i) Income Tax (cont'd)

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

(j) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(k) Earnings per share

Basic earnings per share is calculated as net profit attributable to shareholders, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- (i) costs of servicing equity (other than dividends) and preference share dividends;
- (ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have not been recognised as expenses; and
- (iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(l) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(m) Foreign currency transactions and balances

Functional and presentation currency

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

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the yearend exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(n) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. Refer to note 28 for further information.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(o) Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(p) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognition of the liability.

(q) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(r) Adoption of new and revised accounting standards

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. Information on these new standards is presented below.

- *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*
AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014. The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

- *AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*
These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB’s original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(r) Adoption of new and revised accounting standards (cont'd)

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

• AASB 2013-5 *Amendments to Australian Accounting Standards – Investment Entities*

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* (or AASB 139 *Financial Instruments: Recognition and Measurement* where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries.

These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. Examples of entities which might qualify as investment entities would include Australian superannuation entities, listed investment companies, pooled investment trusts and Federal, State and Territory fund management authorities.

AASB 2013-5 is applicable to annual reporting periods beginning on or after 1 January 2014.

This Standard has not had any impact on the Group as it does not meet the definition of an 'investment entity' in order to apply this consolidation exception.

• AASB 2014-1 *Amendments to Australian Accounting Standards* (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles)

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the IASB of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2010-2012 Cycle*:

- clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
- amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

Part A of AASB 2014-1 is applicable to annual reporting periods beginning on or after 1 July 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

(s) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(s) New accounting standards for application in future periods (cont'd)

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments (December 2014) [Also refer to AASB 2013-9 and AASB 2014-1 below]	30 June 2019	Changes to the classification and measurement requirements for financial assets and financial liabilities. New rules relating to derecognition of financial instruments.	The impact of this is expected to be minimal.
AASB 15 Revenue from Contracts with Customers	30 June 2018	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	At this stage, the Group is not able to estimate the impact of the new rules on the financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

(t) Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to the Option Reserve. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The cumulative cost recognised until settlement is a liability and the periodic determination of this liability is as follows:

At each reporting date between grant and settlement, the fair value of the benefit is determined.

a) During the vesting period, the liability recognised at each reporting date is the fair value of the

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies (cont'd)

(t) Equity-settled compensation (cont'd)

benefit at that date multiplied by the expired portion of the vesting period.

- b) From the end of the vesting period until settlement, the liability recognised is the full fair value of the liability at the reporting date.
- c) All changes in the liability are recognised in profit or loss for the period.

The fair value of the liability is determined, initially and at each reporting date until it is settled, by applying the Black-Scholes option pricing model, taking into account the terms and conditions on which the benefit was granted, and to the extent to which employees have rendered service to date.

For shares acquired under limited recourse loans, the Group is required to recognise within the income statement a remuneration expense measured at the fair value of the shares inherent in the issue to the eligible person, with a corresponding increase to a share-based payments reserve in equity. The fair value is measured at grant date and recognised when the eligible person becomes unconditionally entitled to the shares, effectively on grant. A loan receivable is not recognised.

(u) Research and Development Tax Incentive

The Research and Development Tax Incentive (RDTI) is a 45% Refundable tax offset that is calculated as 45% of the eligible research and development expenditure that has been incurred by the company. The Directors consider any payment arising from the RDTI to be a form of government assistance and are of the view that it is appropriate to develop an accounting policy that is analogous to AASB120 Accounting for Government Grants and Disclosure of Government Assistance.

As such, RTDI refund are recognised when there is sufficient degree of certainty that the company will comply with the conditions attaching to RDTI and that the payment will be received. Such refund are recognised in the Statement of Profit or loss and Other Comprehensive Income on a systematic basis over the periods in which the company recognises as expenses the related costs for which the assistance is intended to compensate. The proportion of the refund that relates to capitalised research and development expenditure is deducted against the carrying amount of the related non-current assets. Any remaining proportion that cannot be recognised on either of the preceding basis is recognised in the Statement of Profit or loss and Other Comprehensive Income as "income from research and development claim."

Comparative information has been reclassified to reflect this treatment.

(v) Change in accounting policy

In accordance with AASB 108, within the current year the company concluded that the tax benefit received should be reclassified to other income within the income statement. This results in the financial statements providing more reliable and relevant information about the effect of the transactions.

Comparative information has been retrospectively reclassified to reflect this accounting treatment as follows:

- Reclassification of \$314,623 in income tax credit to other income within the income statement.

There is no change to profit, net assets and earnings per share.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	Restated 2014
	\$	\$
2 Income		
Bank interest	152,213	194,691
Dividends	118,624	59,062
Unrealised profit/(loss) on Investments	(226,489)	50,238
Other income	-	1,234
R&D tax incentive	2,757,177	314,623
	2,801,525	619,848
3 Corporate & Administrative Expenses		
Administrative Expenses	595,506	834,121
Finance and Legal Services	212,564	214,222
Labour Expenses	1,321,840	1,140,441
	2,129,910	2,188,784

4 Income Tax Expense

The prima facie tax on operating loss from ordinary activities is reconciled to the income tax as follows:

Accounting loss before income tax from continuing operations	(2,879,031)	(6,864,829)
Prima facie tax on loss from ordinary activities at a rate of 30% (2014: 30%)	(863,709)	(2,059,449)
Add:		
Tax effect of:		
- Tax effect of non-deductible items	-	-
- Future income tax benefit not bought to account	863,709	2,059,449
Income tax benefit attributable to the Group	-	-

The Company has deferred tax assets in relation to tax losses arising in Australia of \$5,006,256 (2014: \$3,607,735) that are available for offset against future taxable profits subject to the Company satisfying the necessary loss recoupment tests.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

		Consolidated	
		2015	Restated 2014
		\$	\$
5	Cash and Cash Equivalents		
	Cash at bank and in hand	2,461,266	448,997
	Short-term bank deposits	61,360	2,290,000
		<u>2,522,626</u>	<u>2,738,997</u>
<p>The effective interest rate on short-term bank deposits are made for varying periods of between three and six months depending on immediate cash requirements of the Group and earn interest at the respective short-term bank deposit rates between 3.75% - 4.05%.</p>			
6	Other Receivables		
	Other receivables	75,103	136,820
		<u>75,103</u>	<u>136,820</u>
7	Financial Assets		
	Financial assets at fair value through profit or loss	(a) 3,597,675	4,349,657
		<u>3,597,675</u>	<u>4,349,657</u>
(a)	Financial assets at fair value through profit or loss		
<p>Financial assets at fair value through profit or loss consists of investments in fixed interest and Australian equities. The carrying value of these investments is based on their market value as at 30 June 2015 and 2014.</p>			
	Balance at 1 July	4,349,657	57,350
	Additions	-	4,242,069
	Fair value movement	(169,415)	50,238
	Disposals	(582,567)	-
	Balance at 30 June	<u>3,597,675</u>	<u>4,349,657</u>
8	Other Current Assets		
	CURRENT		
	Prepaid salaries	-	271,163
	Prepaid rent	-	207,047
	Other prepaid expenses	1,156,655	1,912,856
		<u>1,156,655</u>	<u>2,391,066</u>

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	Restated 2014
	\$	\$
9 Plant and Equipment		
At cost	73,465	28,253
Accumulated depreciation	(18,376)	(11,667)
Total Plant and Equipment	55,089	16,586

(a) Movements in Carrying Amount

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

	Office Equipment \$	Total \$
Year ended 30 June 2015		
Balance at the beginning of year	16,586	16,586
Additions	45,212	45,212
Disposals	-	-
Depreciation expense	(6,709)	(6,709)
Balance at the end of the year	55,089	55,089
	Office Equipment \$	Total \$
Year ended 30 June 2014		
Balance at the beginning of year	3,751	3,751
Additions	15,816	15,816
Disposals	-	-
Depreciation expense	(2,981)	(2,981)
Balance at the end of the year	16,586	16,586

OncoSil Medical Limited and its controlled entities

ABN: 89 113 824 141

Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	Restated 2014
	\$	\$
10 Intangible Assets		
Opening	-	2,647,726
Written off	-	(2,647,726)
	-	-

As at 30 June 2014, management made a decision to write off the intangible asset as its recoverable amount could not be determined in accordance with the requirements of AASB 136. However, this write off was not reflected in the 30 June 2014 Financial report. As such, comparative information has been adjusted to reflect the adjustment. Refer to note 28.

11 Trade Payables

CURRENT

Trade payables

	170,857	36,382
	170,857	36,382

Trade payables are non-interest bearing and are normally settled on 60-day terms.

The net of GST payable and GST receivable is remitted to the appropriate tax body on a quarterly basis.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	Restated 2014
	\$	\$
12 Other Current Liabilities		
Payroll liabilities	209,657	52,009
13 Employee Benefits		
Provision for annual leave	65,185	32,331
14 Issued Capital		
(a) Movement in issued capital (issued and fully paid)		
Balance at the beginning of the year	23,785,514	13,888,590
Shares issued during the year	20,833	10,323,159
Share issue cost	-	(426,235)
	23,806,347	23,785,514
(b) Movement in ordinary shares		
	No.	No.
At the beginning of reporting period	355,148,122	241,989,274
Shares issued during the year	245,098	79,428,078
Employee loan share	769,231	33,730,770
	356,162,451	355,148,122

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number and amount paid on the share held. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The shares have no par value and there is no current on-market buy back.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future development of the business. Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements For the Year Ended 30 June 2015

	Consolidated	
	2015	Restated 2014
	\$	\$
15 Reserves		
Share - Based Payment Reserve	1,161,747	852,670
Option Reserve	704,896	704,895
	1,866,643	1,557,565
Share - Based Payment Reserve	1,161,747	852,670
Movement in share - based Payment Reserve		
Balance at the beginning of the year	852,670	417,525
Share - based payments	309,077	435,145
Options cancelled and expired	-	-
Balance at the end of the year	1,161,747	852,670

The share - based payments reserve is used to record the value of equity benefits which may be provided:

- to employees and Directors as part of their remuneration under an Employee share option plan (ESOP);
- to Directors on terms determined by the Board and approved by shareholders; and
- to advisers and consultants as payment for services.

The following share-based payment transactions were undertaken during the current reporting period

On 7 May 2015 the Company issued 769,231 shares under the OncoSil Medical employee share plan. The shares were funded by a limited resource loan. The share issue has not been recognized as issued capital and has been treated as share option issue in accordance with accounting standard, AASB 2 – Share Based Payments.

A summary of movement of all company options is as follows:

	2015	2014
	Number	Number
Number of options of issue beginning of the year	47,300,000	47,300,000
Options exercised	-	-
Options cancelled and expired	-	-
Number of options on issue at the end of the year	47,300,000	47,300,000

Option Reserve

The option reserve is used to record the value of benefits on issue of options:

- under entitlement issue of 48,489,637 options at \$0.01;
- placement issue of 22,000,000 options at \$0.01; and
- placement issue of 2,000,000 options at \$0.01.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

16 Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Prior to the acquisition of OncoSil Medical (UK) Limited, the Company operated in neuroscience drug development in Australia. OncoSil UK is based in the United Kingdom and has a Bio Asset in development that offers potential treatment for pancreatic cancer. Other than the cost of acquiring OncoSil UK \$2,647,726 (note 10) \$32,232 has been spent on the OncoSil Licence all of which has been incurred in the United Kingdom. The financial information presented in the income statements and the balance sheet is the same as that presented to the chief operating decision maker.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

17 Auditor's Remuneration

	Consolidated	
	2015	2014
	\$	\$
Amounts received or due and receivable by Crowe Horwath Perth for:		
- audit or review of the financial report of the entity	34,000	34,500

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

18 Earnings/(loss) per Share

Basic earnings/(loss) per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2015	Restated 2014
Earnings/(loss) per Share	<u>(0.81)</u>	<u>(1.40)</u>
a) Profit or Loss used in calculating earnings per share		
- Loss from continuing operations	<u>(2,879,031)</u>	<u>(7,168,780)</u>
b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	No. <u>355,399,610</u>	No. <u>491,171,654</u>

Diluted earnings per share

When dilutive earnings per share would result in more favourable earnings, diluted and basic earnings per share are considered equal.

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Commitments and Contingencies

On 16 April 2013, OncoSil Medical Ltd settled the acquisition of OncoSil Medical (UK) Limited (formerly Enigma Therapeutics Limited- "OncoSil UK"). OncoSil UK holds a licence to commercialise OncoSil™ (formerly BrachySil™), a targeted brachytherapy product for the treatment of cancer under a licence agreement from pSiMedica.

pSiMedica has granted to OncoSil UK an exclusive world-wide royalty-bearing license for the term of the pSiMedica Transaction (with limited rights to sublicense) under the Licensed Patents solely to make, use, sell, offer to sell and import the Product in the field of therapy in human neoplastic disease (cancer). Key terms of the licence agreement have been summarised below:

- OncoSil UK is required to make a payment of up to US\$100,000 to pSiMedica annually to support existing patents;
- OncoSil UK is required to make the following payments for patents and subject to the OncoSil completing positive clinical trials and becoming registered for sale:

During the term of the licence, 8% of future net sales (future sales which cannot be guaranteed) of the Product or any other product protected by the rights arising from the Assigned Patents (if sold by OncoSil UK or its affiliates) and services performed using the Product or such other products, on a product-by-product and country-by-country basis. Only half of this payment must be made whenever approved generic competitor products derived from the Product maintain at least a 20% world-wide market share of sales, on a country-by-country and product-by-product basis.

20% of any form of consideration, payments, royalties, third party net sales income and other payments received from third party licensing deals and various other agreements with third parties in relation to OncoSil™ or any other product protected by the rights arising from the Assigned Patents, for the term of the pSiMedica licence, on a product-by-product and country-by-country basis.

Potential milestone payments based only upon OncoSil™ being a commercial success, which cannot be guaranteed now or in the future (ranging from US\$1,000,000 to US\$5,000,000) upon:

- OncoSil UK, its affiliates and any of OncoSil UK's third party transferees together potentially achieving US\$5,000,000 aggregate net sales for OncoSil and any other product protected by the rights arising from the Assigned Patents, for (I) an indication and (II) a second indication;
- Aggregate net sales of OncoSil and any other product protected by the rights arising from the Assigned Patents, paid to OncoSil UK, its affiliates and third party transferees in a calendar year first potentially equals or exceeds US\$20,000,000; and
- aggregate net sales of OncoSil and any other product protected by the rights arising from the Assigned Patents, paid to OncoSil UK, its affiliates and third party transferees in a calendar year first potentially equals or exceeds US\$100,000,000.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

19 Commitments and Contingencies (cont'd)

Termination of licence agreement

Unless terminated early for customary reasons such as a material breach, or by pSiMedica due to a patent challenge being brought against pSiMedica in certain circumstances (including by OncoSil UK), the term of the licence for the Licensed Patents and OncoSil UK's rights to exploit the Product and any other products arising from the Assigned Patents, remain in effect on a country-by-country and product by product basis, until the later to occur of:

- the date on which the Product or any other product protected by the rights arising from the Assigned Patents in such country is no longer covered or protected by a potential claim of the Licensed Patents or the Assigned Patents in such country; and
- ten years from the date of first commercial sale of a Product or any other product protected by the rights arising from the Assigned Patents in such country.

In addition, if OncoSil UK reasonably forms the view that it is not capable of commercialising OncoSil, OncoSil UK shall have the right to terminate the license agreement by 60 days prior written notice to pSiMedica.

The Directors are not aware of any other commitments or contingencies as at 30 June 2015.

20 Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash, short-term deposits and short-term investments.

The main purpose of these financial instruments is to provide finance for the Group's operations.

The Group has various other other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main financial risks arising from the Group's financial instruments are interest rate risk, market risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group also monitors the market price risk arising from all financial instruments. The magnitude of this risk that has arisen over the year is discussed in Note 21.

Market Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash at bank and short term deposits. Such risk is managed by using a mix of fixed and floating rate deposits.

The details of exposures to interest rate risk of financial assets and liabilities, together with the maturity analysis are detailed in Note 21.

The Company is also exposed to securities price risk on investments held for trading over the medium to long term. Such risk is managed through diversification of investments across industries and geographical locations.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

20 Financial Risk Management Objectives and Policies (cont'd)

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and cash at bank.

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The credit risk on liquid funds is limited because the counter party is a bank with high credit rating.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial liabilities as and when they fall due. The Company manages liquidity risk by continually monitoring cash reserves and cashflow forecasts to ensure that financial commitments can be met when and as they fall due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of finance leases and equity funding.

Fair values

The fair values of all financial assets and liabilities of the Group approximate their carrying values.

21 Financial Instruments

Interest rate risk

The following table sets out the carrying amount of the financial instruments that are exposed to interest rate risk:

	< 1 year		maturity >1- <5 years		+ 5 years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	2,522,626	2,738,997	-	-	-	-	2,522,626	2,738,997
Financial assets at fair value through profit or loss	3,597,675	4,282,907	-	-	-	-	3,597,675	4,282,907
	6,120,301	7,021,904	-	-	-	-	6,120,301	7,021,904
							2015	2014
							%	%
Weighted Average Interest Rate							6.30	6.30

Interest on financial assets classified as floating rate is reprised at intervals of less than one year. Interest on financial assets classified as fixed until maturity of the financial instrument.

The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements For the Year Ended 30 June 2015

21 Financial Instruments (cont'd)

Interest rate sensitivity

Interest rate risk sensitivity analysis:

	Effect on Profit		Effect on Equity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Sensitivity*				
+1.50%	91,861	78,724	91,861	78,724
-1.50%	(91,861)	(78,724)	(91,861)	(78,724)

* The method used to arrive at the possible change of 150 basis points was based on the analysis of the average change of the Reserve Bank of Australia (RBA) monthly issued cash rate over the past 5 years. It is considered that 150 basis points is a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

Equity price sensitivity

The sensitivity analysis below have been determined based on the exposure to equity price risk at the end of the reporting period.

If equity prices had been 10% higher/lower, profit for the year ended 30 June 2015 would increase/decrease by \$247,447 as a result of the changes in fair value of financial assets at fair value through profit or loss.

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2015 and 30 June 2014:

	Level 1		Level 2		Level 3		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets:								
Financial assets at fair value through profit or loss:								
- Investments - held for trading	- 66,750	-	-	-	-	-	-	66,750
- Investments - other	-	-	3,597,675	4,282,907	-	-	3,597,675	4,282,907
	- 66,750	3,597,675	4,282,907	-	-	3,597,675	4,349,657	

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

Consolidated	
2015	Restated 2014
\$	\$

22 Capital and Leasing Commitments

Operating Leases

Minimum lease payments under non-cancelable operating leases:

- not later than one year	172,200	97,020
- between one year and five years	95,100	145,530
	267,300	242,550

Operating leases have been taken out for the commercial premises. Lease payments are increased on an annual basis to reflect market rentals.

23 Related Parties

During the year the Company made payments to Directors and their related entities for services provided. Details are disclosed at Note 24.

24 Directors and Key Management Personnel

Remuneration of Directors and Key Management Personnel

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel for the year ended 30 June 2015.

The totals of remuneration paid to Key Management Personnel of the Group during the year are as follows:

Short-term employee benefits	590,133	536,858
Share-based payments	(10,369)	345,789
	579,764	882,647

- The remuneration payments to Mr Lawrence Gozlan were made to a director-related entity, Montoya Pty Ltd.
- The remuneration payments to Mr M Rogers were made to a director-related entity, Structure Investments Pty Ltd.
- Total wage remuneration of \$118,182 and superannuation of \$11,227 has been accrued but not yet paid to Daniel Kenny.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

	Consolidated	
	2015	Restated 2014
	\$	\$
25 Cash Flow Information		
Reconciliation of net income to net cash provided by operating activities:		
Total loss for the year	(2,879,031)	(6,864,829)
Adjustments for:		
- depreciation	6,709	2,981
- unrealised (gains)/losses on fair value through profit and loss financial assets	226,666	(9,400)
- Intangible asset written off	-	2,647,726
- share based payments	209,077	429,743
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	-	(122,832)
- (increase)/decrease in other assets	1,878,319	(2,381,103)
- increase/(decrease) in trade and other payables	152,177	(17,301)
- increase/(decrease) in accruals	44,422	(87,258)
- increase/(decrease) in employee benefits	190,502	32,331
Net cash used in operating activities	(171,159)	(6,369,942)

26 Controlled Entities

	Country of Incorporation	Percentage Owned (%)* 2015	Percentage Owned (%)* 2014
Subsidiaries:			
OncoSil Medical UK Limited	United Kingdom	100	100
OncoSil Medical Germany GmbH	Germany	100	100
OncoSil Medical US Inc	United States	100	100

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

27 Share-based Payments

The Group's Employee Options Plan is designed as an incentive for senior managers and above. Under the plan, participants are granted options which only vest if certain performance standards are met. Once granted the options have a vesting period as stated in the below table. There are no cash settlement alternatives.

The following share-based payment transactions were undertaken during the reporting period:

	Number	Grant date	Expiry date	Exercise Price \$	Fair value at grant date \$	Vesting conditions
2015						
Granted 28 November 2014(a)	3,000,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting if OncoSil total shareholder returns (TSR) in respect of holding ordinary shares equals 175%
Granted 28 November 2014(a)	500,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting if OncoSil total shareholder returns (TSR) in respect of holding ordinary shares equals 175%
Granted 28 November 2014(a)	3,000,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting when TSR equals 250%.
Granted 28 November 2014(a)	500,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting when TSR equals 250%.
Granted 28 November 2014(a)	3,000,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting when the Company receives US FDA approval.
Granted 28 November 2014(a)	500,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting when the Company receives US FDA approval.
Granted 28 November 2014(a)	3,000,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting when the applicant reaches their 3 rd anniversary of continuous employment with the company
Granted 28 November 2014(a)	500,000	28/11/2014	28/11/2017	0.13	0.047	Options vesting when the applicant reaches their 2 nd anniversary of continuous employment with the company.
Granted 11 May 2015 (b)	769,231	07/05/2015	12/01/2018	0.13	0.102	Options vesting when the applicant reaches their 3 rd anniversary of continuous employment with the company.
2014						
Granted 29 October 2013(c)	5,000,000	29/10/2013	28/10/2017	0.10	0.09190	Options vesting if OncoSil total shareholder returns (TSR) in respect of holding ordinary shares equals 175%
Granted 29 October 2013(c)	5,000,000	29/10/2013	28/10/2017	0.10	0.09190	Options vesting when TSR equals 250%
Granted 29 October 2013(c)	5,000,000	29/10/2013	28/10/2017	0.10	0.09190	Options vesting when the Company receives US FDA approval.
Granted 29 October 2013(c)	5,000,000	29/10/2013	28/10/2016	0.10	0.09190	Options vest following 3 years of continuous employment
Granted 29 October 2013(c)	5,000,000	29/10/2013	28/10/2016	0.10	0.91900	Options vesting when the Company receives US FDA approval.
Granted 19 May 2014(d)	8,730,770	19/05/2014	18/05/2019	0.11	0.08880	3 years of continuous employment with the Company.

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

27 Share-based Payments (cont'd)

(a) Daniel Kenny (CEO and Managing Director) and Roger Aston (Director) were issued 12,000,000 and 2,000,000 options respectively as per the existing employee share option plan approved by shareholders on 28 November 2014.

(b) Aoifa Brogan was issued 769,231 options each in accordance with the Group's employee share option plan on 11 May 2015.

(c) Neil Frazer and Peter Knox were issued 20,000,000 and 5,000,000 options respectively as per the existing employee share option plan approved by shareholders on 24 September 2013. 14,000,000 of Neil Frazer's options were transferred to Daniel Kenny and Roger Aston as outlined in paragraph a) above.

(d) Peter Casey, Natalie Ruffles and Lawrence Gozlan were issued 461,539, 769,231 and 7,500,000 options respectively in accordance with the Group's employee share option plan.

The fair value of the options granted during the year was calculated using the Black-Scholes option pricing model using the following inputs:

	Number	Exercise price \$	Expiry date	Expected volatility %	Risk free rate %	Fair value at grant date
2015						
Granted 28 November 2014	14,000,000	0.13	28/11/2017	109	2.50	0.047
Granted 11 May 2015	769,231	0.13	11/05/2018	134	2.50	0.102
2014						
Granted 29 October 2013	20,000,000	0.10	28/10/2017	82	2.50	0.0919
Granted 29 October 2013	5,000,000	0.10	28/10/2016	82	2.50	0.0919
Granted 19 May 2014	8,730,770	0.11	18/05/2019	95	2.50	0.0776

28 Correction of prior period error

At 30 June 2014, Management made a decision to write off the intangible asset as the recoverable amount as defined by Australian Accounting Standards could not be determined. This write off was not reflected in the 30 June 2014 Financial Report.

The abovementioned misstatement in the previous year's consolidated financial statements represents a prior period accounting error which must be accounted for retrospectively. Consequently, the Group has adjusted the comparative amounts presented in the June 2015 financial statements affected by the accounting error as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Previously reported 30 June 2014 \$	Adjustment \$	Restated 30 June 2014 \$
Intangible Asset written off	-	(2,647,726)	(2,647,726)
Loss before income tax	(4,217,103)	(2,647,726)	(6,864,829)
Loss for the year	(4,217,103)	(2,647,726)	(6,864,829)
Basic and diluted (loss) per share (cents per share)	(0.86)	(0.54)	(1.40)

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements For the Year Ended 30 June 2015

28 Correction of prior period error (cont'd)

Consolidated statement of financial position

	Previously reported 30 June 2014	Adjustment	Restated 30 June 2014
	\$	\$	\$
Non-Current Assets			
Intangible Assets	2,647,726	(2,647,726)	-
Total Non-Current Assets	2,664,312	(2,647,726)	16,586
Total Assets	12,280,852	(2,647,726)	9,633,126
Net Assets	12,160,130	(2,647,726)	9,512,404
Equity			
Retained (loss)	(13,182,950)	(2,647,726)	(15,830,676)
Total Equity	12,160,130	(2,647,726)	9,512,404

29 Parent entity

The following information has been extracted from the books and records of the parent, OncoSil Medical Limited and has been prepared in accordance with Accounting Standards.

	2015	Restated 2014
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	6,098,168	5,140,162
Non-current assets	995,206	7,006,904
Total Assets	<u>7,093,374</u>	<u>12,147,066</u>
Liabilities		
Current liabilities	387,173	32,260
Total Liabilities	<u>387,173</u>	<u>32,260</u>
Equity		
Issued capital	23,906,347	23,785,514
Retained earnings	(18,966,789)	(11,605,001)
Reserves	1,766,642	1,557,566
Total Equity	<u>6,706,200</u>	<u>13,738,079</u>
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	<u>(2,855,072)</u>	<u>(6,864,829)</u>
Total comprehensive income	<u>(2,855,072)</u>	<u>(6,864,829)</u>

Guarantees

The parent entity has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries (2014: Nil)

Contingent liabilities

The Directors are not aware of any contingent liabilities or assets as at the date of these financial statements(2014:Nil).

OncoSil Medical Limited and its controlled entities

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Notes to the Financial Statements

For the Year Ended 30 June 2015

29 Parent entity (Cont'd)

Contractual commitments

The parent entity did not have any commitments as at 30 June 2015 or 30 June 2014.

30 Events Occurring After the Reporting Date

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

31 Company Details

The registered office of the company is:

Suite 807, Level 8
1 Alfred Street
Sydney, New South Wales 2000
AUSTRALIA

OncoSil Medical Limited and its controlled entities

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Directors' Declaration

In accordance with a resolution of the Directors I state that:

In the opinion of the Directors:

1. the financial statements and notes for the year ended 30 June 2015 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:
 - a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. the remuneration report disclosures contained in the Director's Report comply with Australian Accounting Standard 124 *Related Party Transactions*, the *Corporations Act 2001* and the Corporations Regulation 2001; and
4. in the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

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

Dr Roger Aston

Non-Executive Chairman



Dated this 28th day of August 2015

Corporate Governance Statement

30 June 2015

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they meet the interests of shareholders. The Company complies with the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (the Principles).

A copy of the company's corporate governance statement can be found on the company website at the following address <http://www.oncosil.com.au/about/corporate-governance/>

OncoSil Medical Limited and its controlled entities

Additional Information for Listed Public Companies

30 June 2015

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 14 August 2015.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of shares
Webinvest Pty Limited	24,450,000

Voting rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of equity security holders

Holding	Ordinary shares	
	Shares	Options
1 - 1,000	7,562	-
1,001 - 5,000	428,394	-
5,001 – 10,000	2,169,354	-
10,001 – 100,000	30,272,659	-
100,000 and over	323,284,491	47,300,000

Twenty largest shareholders

	Ordinary shares	
	Number held	% of issued shares
Webinvest Pty Limited	24,450,000	6.86
Tisia Nominees Pty Limited	15,000,000	4.21
JK Nominees Pty Limited	15,000,000	4.21
Citicorp Nominees Pty Limited	12,053,800	3.38
Mr Daniel Kenny	12,000,000	3.37
Newtonmore Biosciences Pty Limited	11,016,547	3.09
J P Morgan Nominees Australia	10,925,350	3.07
Structure Investments Pty Limited	10,312,532	2.89
Oaktone Nominees Pty Limited	8,720,930	2.45

Additional Information for Listed Public Companies

30 June 2015

Twenty largest shareholders (cont'd)

	Ordinary Shares	
	Number held	% of issued shares
Bannaby Investments	8,000,000	2.25
Montoya Pty Ltd	7,500,000	2.11
Mr Jason Peterson & Mrs Lisa Peterson	6,733,573	1.89
Mr Neil Frazer	6,115,384	1.72
Denlin Nominees Pty Limited	5,763,070	1.62
Adrian Darby Investments Pty Limited	4,917,300	1.38
Westcap Pty Limited	3,860,000	1.08
Cabletime Pty Limited	3,515,384	0.99
Ms Margaret Elizabeth	3,390,750	0.95
Growth Resources Pty Ltd	2,212,158	0.62
HSBC Custody Nominees	2,132,227	0.60

Twenty largest option holders

	Options	
	Number held	% of issued options
Structure Investments Pty Limited	19,000,000	40.17
Tisia Nominees Pty Limited	8,000,000	16.91
Denlin Nominees Pty Limited	8,000,000	16.91
JK Nominees Pty Limited	8,000,000	16.91
Margaret Livingston	1,000,000	2.11
Yoix Pty Limited	1,000,000	2.11
Brett Wayne Mattes	1,000,000	2.11
Harshell Investees Pty Limited	750,000	1.59
RWH Nominees Pty Limited	300,000	0.63
TFT Holdings Pty Limited	250,000	0.53

Unissued equity securities

Options issued 47,300,000.

Securities exchange

The Company is listed on the Australian Securities Exchange.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of OncoSil Medical Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



CROWE HORWATH PERTH



CYRUS PATELL
Partner

Signed at Perth, 28 August 2015

INDEPENDENT AUDIT REPORT TO MEMBERS OF ONCOSIL MEDICAL LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of OncoSil Medical Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of OncoSil Medical Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of OncoSil Medical Ltd for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



CROWE HORWATH PERTH



CYRUS PATELL
Partner

Signed at Perth, 28 August 2015