

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED**

30 JUNE 2020

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

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DIRECTORS' REPORT

The Directors of Oncology Research International Limited present their Report together with the financial statements of the consolidated entity, being Oncology Research International Limited ('the Company') and its controlled entity ('the Group') for the year ended 30 June 2020 and the Independent Auditor's Report thereon.

DIRECTORS

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

PROFESSOR JOHN GORDON MCVIE - MD, FRCP, FRCPS, FRCSE, FMedSci, DSc (Hon)

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

DR PHILIP ANDREW MARSHALL - BSc (Hons), PhD, FRACI, CChem MAICD

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

DR KENNETH MICHAEL WAYTE - DC

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

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

COMPANY SECRETARY

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

PRINCIPAL ACTIVITIES

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

OPERATING RESULTS

The consolidated operating loss of the Group after providing for income tax for the financial year amounted to \$99,448 (30 June 2019: Loss \$111,517).

DIVIDENDS PAID OR RECOMMENDED

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

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DIRECTORS' REPORT

REVIEW OF OPERATIONS

SUMMARY

This Report covers the major activities of the company from January to June 2020: Science & Technology, Operations, Corporate and Finance Strategy and the next few months.

With very limited financial resources over the last 12 months the company continued to explore a number of potential capital raising opportunities. Our executive team has continued on reduced remuneration while those fund-raising efforts continue. The company cannot continue its technology research and development without adequate funding and securing funding remains the key priority of our company.

Like all industries across the world, the already challenging pursuit for investment funds has been further exacerbated by the COVID-19 pandemic. Subject to funding the R&D strategy will continue to focus on the development of its novel first-in-class compounds such as ORIL019 for therapeutic use in the emergent field of immuno-oncology.

The Board will keep shareholders updated on fund raising efforts.

ORIL SCIENCE and TECHNOLOGY

ORIL has identified a naturally occurring family of molecules termed steroid saponins found in herbs and plants used in traditional medicine. ORIL has shown these have first-in-class anti-cancer activity with a novel mode of action that potentiate the activity of current chemotherapies in the market. In order to overcome the inherent limitations of the naturally occurring molecules ORIL successfully designed, synthesised and tested a series of new molecules that overcome these limitations and fulfil unmet needs associated with current therapies.

Importantly, while potent as sole agents, these new generation ORIL compounds have the potential to enhance the action of the new blockbuster immuno-oncology therapies, (those which stimulate the body's own immune system to fight invading cancer cells), such as the "anti-PD-1 inhibitors" currently in the market.

There are, however, limitations of these anti-PD1-inhibitors in that they do not work for everybody and side effects are still a problem. It is widely recognised to work best they should be used in combination with another oncology drug. The combination criteria and ORIL's capability to meet them are summarised below.

What is needed for combination agent with PD-1	ORIL019 (lead candidate)
Has a different mode of action	different mode of action to the anti-PD-1 inhibitors
Is a potent anti-cancer agent in own right	Active against multiple cancer types, doubles the tumour reduction when used in combination with an anti- PD-1 inhibitor
Has a different (validated) target receptor	Different receptor target molecule validated as a therapeutic target
Does not dampen the immune system	stimulates rather than dampens the immune system
Is safe and well tolerated	well tolerated when administered via oral and parenteral routes.

Following PCT submission the highly prized "Composition of Matter" Patent applications entered National Phase Entry In August 2019 and are pending examination in the various jurisdictions.

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DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

NEXT STEPS IN DEVELOPMENT

While promising, the anti-PD-1/ORIL019 combination study described previously is a proof-of-concept study that used only one dosing frequency and one dose level of ORIL019 administered either intravenously (i.v.) or orally (p.o.). Further information regarding the pharmacokinetics (PK), pharmacodynamics (PD) and biodistribution (BD) of ORIL019 is required in order to further optimize the dose level and treatment regime.

Subject to funding it is planned to further develop and complete the necessary pre-clinical studies for ORIL019 to be clinic-ready for Phase I/IB studies.

ORIL is closer to the clinic than is perhaps apparent, having already done the hard work in the discovery phase. The immediate need is to manufacture further quantities of ORIL019 whereupon the pre-clinical development program falls into three key areas:

- 1) PK/ADME (oral and i.v.). Establish the metabolic relationship between ORIL019 and ORIL007 noting the best results were obtained when ORIL019 was administered orally.
- 2) Safety and toxicology
- 3) PK/PD & pharmacology to establish starting dose for Phase I

OPERATIONS

The Board of Directors resolved in June 2016 to operate at no fees for the 2016-17 financial year and until ORIL has sufficient funds. This has continued for the 2019-20 financial year and through to December 2020. Since July 1st, 2016 the executive team continue the company activities at substantially reduced fees in order to maximize the company's opportunities. From September 2017 the invoices for the CEO's fees which are invoiced by his related company Pharmchem Technical Services Pty Ltd (Pharmchem) to ORIL are deferred until sufficient funds are available for payment. In the event that sufficient funds are not raised/available by ORIL to pay any deferred payments the CEO has agreed to not make any claim against the company (ORIL) in respect to deferred invoices.

The company is continuing to seek funding to continue projects. This will enable ORIL to build value of its assets through further development of the technology and progress the lead candidate ORIL019 towards the clinic.

CORPORATE AND FINANCE STRATEGY

ORIL is an Australia public, unlisted company with over 520 shareholders and approximately 45 million ordinary shares at \$0.50 on issue. The company therefore has a market capitalisation of approximately \$22.5 million. A recent independent valuation valued ORIL at approximately AUD \$60 million.

It therefore remains the intention of the company to fully explore and develop its assets to their full potential. Valuation of intangible assets is complex and actual valuations would depend on a number of factors including size of pipeline (single vs multiple assets), time of exit, type of exit, market conditions, deal structure etc.

However, some trends and estimates can be determined from historic deal data. While the COVID-19 pandemic has changed the market dynamics, most deals are done at the pre-clinical or clinical Phase I stage and small molecules still attract the vast majority of deals in oncology, albeit the market is fiercely competitive. ORIL019 is a small molecule at the pre-clinical stage having developed a drug with good proof-of-concept data.

To maximise the value of the company and a future return to shareholders the company is considering all options, including:

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REVIEW OF OPERATIONS (continued)

- licensing and partnering with mid and big – pharma companies:
 - Individual indications
 - Individual geographies
- trade sale by way of trade of assets or shares in ORIL.

Regulatory strategy and thus time to market would be influenced by (i) success in the early clinical trials and (ii) dialogue with the various regulatory agencies regarding eligibility for “fast-track” to approval.

The company is seeking a capital investment of AUD 5.0 million to complete the pre-clinical and regulatory program requisite for an ethics submission for its lead candidate ORIL019 to be clinic-ready in 18 months, that is be ready to commence first-in-human clinical studies (Phase I/IB studies). A detailed budget has been prepared for the deployment of funds.

ORIL’s CEO, Dr Philip Marshall, addressed the August 2019 Rizhao Conference on Cell Therapy as an invited speaker, the local Rizhao Government, located in Shandong Province, China expressed strong interest in investing in ORIL through its investment vehicle “Rizhao Guoyitan Health & Wellness Co Ltd” or “Investor”. The Investor Chairman also invited Dr Marshall to attend the official ground-breaking ceremony for Rizhao’s new Life-Science City on September 24th at which time the Chairman also signed a Memorandum of Understanding (MOU) with ORIL to reflect the intention by both parties to conclude an investment in ORIL. Due to the organization’s shift in priorities and the Covid-19 pandemic negotiations have effectively been shelved.

ORIL continues to vigorously pursue other opportunities in Australia and internationally through its agents and network.

SUMMARY OF THE ORIL OPPORTUNITY

Profile/Sector	<ul style="list-style-type: none"> • Novel family of compounds to meet unmet needs in rapidly growing cancer market
Investment Type	<ul style="list-style-type: none"> • Equity investment to complete the pre-clinical program of asset (lead compound) to USA FDA IND-ready standard • Seeking a long-term commercial and strategic partnership
Transaction Size	<ul style="list-style-type: none"> • AUD\$10M comprising pre-clinical and regulatory program funding of AUD\$5M and “first-in-human” clinical studies of AUD\$5M • A further AUD\$10M to complete Phase II clinical studies
Stakeholders	<ul style="list-style-type: none"> • A public, unlisted Australian company • Over 520 shareholders including well-known, cornerstone investor
Board and Management	<ul style="list-style-type: none"> • Highly credited Board of Directors with international experience and recognition in their respective fields • Management and advisory team are leading medical scientists and experts • Internationally focused product commercialisation strategy
Overview	<ul style="list-style-type: none"> • Design and development of patented new family of innovative molecules with application in immunotherapy and particularly immuno-oncology (the Asset) • Multiple therapeutic applications • Lead compound identified and progressing towards being clinic-ready within 18 months • Strong IP position 100% owned by ORIL and is available for out-licence • Clear pathway to market commercialisation with potential return on investment in 3-4 years

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DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

THE NEXT FEW MONTHS.....

Ongoing operations are entirely dependent on additional funding. All possible strategies for fund raising opportunity continue to be rigorously explored both domestically and internationally by the ORIL executive group. Subject to funding the R&D efforts will continue to concentrate on the development of the new compounds such as ORIL019 in immuno-oncology.

The Directors are hopeful of attracting investment interest but there is no guarantee and the Directors make no forecast. Our efforts over the past 24 months through a number of international sources for funding such as venture capital, investment groups, licence or partnering have not yet been successful.

Following the AGM in November 2019, and periodically during 2020 the Board considered the company's future. In view of the positive feedback on the science and technology and encouraging investment leads, the Board has decided to continue operating at the minimum level, at least until the outcome of the more promising investment opportunities became clear.

The company continues to monitor the company's financial situation closely and will keep shareholders updated.

The Phase I/IB studies require a further AUD 5.0 million and will take around 12 months to complete. Phase II studies require a further AUD 10 million and are expected to take 18 months to complete.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS ARISING SINCE THE END OF THE FINANCIAL YEAR

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

LIKELY DEVELOPMENTS

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

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

ENVIRONMENTAL LEGISLATION

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

INDEMNIFYING OFFICER OR AUDITOR

The officers of the Group have foregone insurance for the period.

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DIRECTORS' REPORT

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

PROCEEDINGS ON BEHALF OF COMPANY

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

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

UNISSUED SHARES UNDER OPTION

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

No options were issued to Directors and key management personnel as remuneration during the year ended 30 June 2020 and to the date of this report.

DIRECTORS' MEETINGS

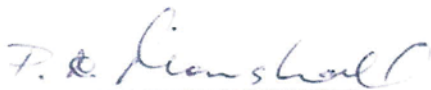
The number of meetings of Directors held during the year and the number of meetings attended by each Director is as follows:

	Meetings Attended	Meetings Eligible to Attend
J G McVie	4	4
P A Marshall	4	4
K M Wayte	4	4

AUDITOR'S INDEPENDENCE DECLARATION

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

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



P A MARSHALL
DIRECTOR



K M WAYTE
DIRECTOR

Dated this 30 day of Oct 2020

Auditor's Independence Declaration

To the Directors of Oncology Research International Ltd

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Oncology Research International Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 30 October 2020

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	Consolidated Group	
		2020	2019
		\$	\$
Other revenue	2	13	1,292
Depreciation expense		(447)	(473)
Accountancy		(7,000)	(27,900)
Audit fees	20	(25,000)	(19,500)
Corporate advisory		-	(200)
Patents		(55,578)	(35,757)
Secretarial fees		-	(600)
Travel and accommodation		(3,257)	(13,814)
Other expenses		<u>(8,179)</u>	<u>(14,565)</u>
Loss before income tax		(99,448)	(111,517)
Income tax expense	3	<u>-</u>	<u>-</u>
Loss for the year		(99,448)	(111,517)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss, net of tax, attributable to owners of the parent entity		<u><u>(99,448)</u></u>	<u><u>(111,517)</u></u>

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	Consolidated Group	
		2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	16,823	3,443
Trade and other receivables	5	1,633	1,475
Other current assets	6	5,881	-
TOTAL CURRENT ASSETS		<u>24,337</u>	<u>4,918</u>
NON-CURRENT ASSETS			
Property, plant & equipment	7	13	460
TOTAL NON-CURRENT ASSETS		<u>13</u>	<u>460</u>
TOTAL ASSETS		<u>24,350</u>	<u>5,378</u>
CURRENT LIABILITIES			
Trade and other payables	8	17,216	14,796
TOTAL CURRENT LIABILITIES		<u>17,216</u>	<u>14,796</u>
TOTAL LIABILITIES		<u>17,216</u>	<u>14,796</u>
NET ASSETS /(LIABILITIES)		<u>7,134</u>	<u>(9,418)</u>
EQUITY			
Share capital	9	17,548,763	17,432,763
Reserves	10	237,540	237,540
Accumulated losses		<u>(17,779,169)</u>	<u>(17,679,721)</u>
TOTAL EQUITY/(DEFICIENCY)		<u>7,134</u>	<u>(9,418)</u>

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Share Capital	Accumulated Losses	Reserves	Total
	\$	\$	\$	\$
Consolidated group				
Balance at 1 July 2018	17,377,763	(17,568,204)	237,540	47,099
Loss for the year	-	(111,517)	-	(111,517)
Transactions with owners				
Issue of share capital, net of issue costs	55,000	-	-	55,000
Balance at 30 June 2019	<u>17,432,763</u>	<u>(17,679,721)</u>	<u>237,540</u>	<u>(9,418)</u>
Loss for the year	-	(99,448)	-	(99,448)
Transactions with owners				
Issue of share capital, net of issue costs	116,000	-	-	116,000
Balance at 30 June 2020	<u>17,548,763</u>	<u>(17,779,169)</u>	<u>237,540</u>	<u>7,134</u>

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	Consolidated Group	
		2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		13	66
Goods & Services tax refund		5,685	8,852
Research & Development Tax Offset Refund		-	28,960
Payments to suppliers		<u>(108,318)</u>	<u>(122,423)</u>
Net cash used in operating activities	19	<u>(102,620)</u>	<u>(84,545)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital, net of issue costs		<u>116,000</u>	<u>55,000</u>
Net cash provided by financing activities		<u>116,000</u>	<u>55,000</u>
Net increase/(decrease) in cash held		13,380	(29,545)
Cash at the beginning of the financial year		<u>3,443</u>	<u>32,988</u>
Cash at the end of the financial year	4	<u><u>16,823</u></u>	<u><u>3,443</u></u>

The accompanying notes form part of these financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

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

General Information and statement of compliance

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

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

The consolidated financial statements for the year ended 30 June 2020 (including comparatives) were approved and authorised for issue by the board of directors on 30th day of October 2020.

Going Concern

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

For the year ended 30 June 2020, the Group incurred a loss before tax of \$99,448 (2019: \$111,517). For the year ended at 30 June 2020, the Group incurred net operating cash outflows of \$102,620 (2019: \$84,545).

The going concern of the Group is dependent upon it maintaining sufficient funds for its operations and commitments.

The company is continuing to seek funding to continue projects. This will enable ORIL to build value of its assets through further development of the technology, and the lead candidate ORIL019 towards the clinic. Should this Fund raising not be successful, the Directors continue to be focused on meeting the Group's business objectives and are mindful of the funding requirements to meet these objectives. The Directors consider the basis of going concern to be appropriate for the following reasons:

- There are no fixed contracts in place,
- There are no expenditure commitments,
- Expenditure of the Group is entirely discretionary, and
- The underlying prospects for the Group to raise funds.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Going Concern (continued)

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

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

Adoption of New and Revised Australian Accounting Standards

In the year ended 30 June 2020, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019.

AASB 16 Leases requires all leases, other than short term and low value asset leases to be accounted "on balance sheet".

The new standard has been applied as at 1 July 2019 with no effect on initial application. The adoption of AASB 16 has not affected any of the Group's transactions and balances recognized in the financial statements for the period.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and therefore no change is necessary to the Group's accounting policies.

Accounting Policies

(a) Overall Considerations

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

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

b) Principles of Consolidation

The Group financial statements consolidate those of the parent company and its subsidiary drawn up to 30 June 2020. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Principles of Consolidation (continued)

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

(c) Property, Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis.

Depreciation

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

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

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

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

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

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

(d) Income Tax

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

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

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

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Income Tax (continued)

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

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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

Tax Consolidation

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

(e) Impairment of Non-Financial Assets

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

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

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

(f) Intangibles

Research and Development

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

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

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
ABN 34 067 964 621
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue

Interest

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

Government and other grants

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

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

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

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

(h) Goods and Services Tax (GST)

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

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

(i) Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions

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

(j) Cash and Cash Equivalents

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

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FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (continued)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Debt instruments at fair value through other comprehensive income (Debt FVOCI)

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of collecting the contractual cash flows and selling the assets are accounted for at FVOCI.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset.

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under this category, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend income is taken to profit or loss unless the dividend clearly represents return of capital.

Impairment of financial assets

AASB 9's new impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets. The Group does not track changes in credit risk, but instead recognises a loss allowance based on the expected lifetime credit losses at each reporting date.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (continued)

The Group consider a financial asset to be in default when internal or external information indicates that it is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Classification and measurement of financial liabilities

Financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(l) Share-based payments

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

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

(m) Comparative Figures

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Consolidated Group	
	2020	2019
	\$	\$
2. REVENUE		
Operating activities		
- Interest received	13	62
- Research & Development Tax Offset Refund	-	1,230
Total Revenue	13	1,292
3. INCOME TAX		
The prima facie tax payable (benefit) on the profit/(loss) from activities before income tax is reconciled to the income tax expense or benefit as follows:		
Prima facie income tax payable (benefit) on profit/(loss) from activities before income tax at 27.5% (2019: 27.5%)	(27,348)	(30,667)
Tax effect of differences:		
Non assessable items:		
- Research & Development Tax Offset Refund	-	(338)
Non allowable items:		
- Other non allowable items	231	160
Recognition of Deferred Tax Asset	11,566	7,220
Deferred Tax Assets brought to account at 27.5% (2019: 27.5%)	(15,551)	(23,625)
Income tax benefit attributable to profit/(loss) from ordinary activities before income tax	-	-
Potential tax benefit at 27.5% (2019: 27.5%) of unused tax losses for which no Deferred Tax Asset has been recognised	2,277,399	2,257,176

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

		Consolidated Group	
		2020	2019
		\$	\$
4.	CASH AND CASH EQUIVALENTS		
	Cash at bank and in hand	<u>16,823</u>	<u>3,443</u>
	Reconciliation of Cash		
	Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the Statement of Financial Position as follows:		
	Cash and cash equivalents	<u>16,823</u>	<u>3,443</u>
5.	TRADE AND OTHER RECEIVABLES		
	Current		
	Goods & Services Tax Receivable	<u>1,633</u>	<u>1,475-</u>
6.	OTHER CURRENT ASSETS		
	Current		
	Prepayments	<u>5,881</u>	<u>-</u>
7.	PROPERTY, PLANT & EQUIPMENT		
	Plant & equipment, at cost	14,513	14,513
	Accumulated depreciation	<u>(14,500)</u>	<u>(14,053)</u>
		<u>13</u>	<u>460</u>
	(a) Movements in Carrying Amounts		
	Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year.		
	Plant and Equipment		
	Balance at beginning of year	460	933
	Depreciation Expense	<u>(447)</u>	<u>(473)</u>
	Carrying amount at the end of the year	<u>13</u>	<u>460</u>
8.	TRADE AND OTHER PAYABLES		
	Current		
	Trade payables	<u>17,216</u>	<u>14,796</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated Group	
	2020	2019
	\$	\$
9. SHARE CAPITAL		
45,115,749 (2019: 43,955,749)		
Fully paid ordinary shares	<u>17,548,763</u>	<u>17,432,763</u>
Ordinary shares		
At the beginning of the reporting period	43,955,749	43,845,749
Shares issued during the year	<u>1,160,000</u>	<u>110,000</u>
At reporting date	<u>45,115,749</u>	<u>43,955,749</u>

1,160,000 fully paid ordinary shares at \$0.10 per share were issued during the financial year under a limited time offer which expired on 31 August 2019.

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

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

Options

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

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

No share options expired during the financial year.

Capital Management

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

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

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

10. RESERVES

Option Reserve

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

11. KEY MANAGEMENT PERSONNEL

Compensation Practices

No remuneration was paid to the key management personnel of the Group during the year (2019: Nil).

No directors fees were paid during the year (2019: Nil).

Other key management personnel transactions

Other transactions and balances with key management personnel are disclosed in Note 12.

12. RELATED PARTY TRANSACTIONS

Other transactions with key management personnel

Key management personnel and their associated entities were reimbursed for expenditure incurred in respect of the consolidated group totalling \$4,728 excluding GST (2019: \$16,007 excluding GST). The amount owed by the consolidated group in respect to reimbursements due at 30 June 2020 to key management personnel and their associated entities was \$106 excluding GST (2019: \$295).

Details of key management personnel compensation are disclosed separately in Note 11.

There were no share based payments existing at 30 June 2020.

13. SEGMENT INFORMATION

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

14. SHARE – BASED PAYMENTS

There were no share based payments existing at 30 June 2020.

15. INTEREST IN SUBSIDIARY

Set below are details of the directly held subsidiary:

ONCOLOGY RESEARCH ASSOCIATES PTY LTD	2020	2019
Country of Incorporation	Australia	Australia
Class of Share	Ordinary	Ordinary
Cost of Parent Company's Investment	\$2,000,000	\$2,000,000
Equity Holding	100%	100%
Contribution to Consolidated Income (Loss) from Ordinary activities before income tax	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. INTEREST IN SUBSIDIARY (continued)

Deed of Cross Guarantee

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

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

	2020	2019
	\$	\$
Assets	-	-
Liabilities	-	-

16. COMMITMENTS AND CONTINGENT LIABILITIES

There are no outstanding commitments or contingent liabilities not provided for in the financial statements of the consolidated group as at 30 June 2020.

17. PARENT ENTITY – ONCOLOGY RESEARCH INTERNATIONAL LIMITED

	2020	2019
	\$	\$
Parent entity		
Assets		
Current assets	24,337	4,918
Non-current assets	13	460
Total assets	<u>24,350</u>	<u>5,378</u>
Liabilities		
Current liabilities	<u>17,216</u>	<u>14,796</u>
Total liabilities	14,216	14,796
Equity		
Issued capital	17,548,763	17,432,763
Option Reserve	237,540	237,540
Retained earnings	(17,779,169)	(17,679,721)
Financial performance		
Loss for the year	99,448	111,517
Other comprehensive income	-	-
Total comprehensive loss	<u>99,448</u>	<u>111,517</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18. FINANCIAL INSTRUMENTS

Financial Risk Management

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

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

The group does not have any derivative instruments at 30 June 2020.

(a) Interest rate risk

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

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

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

Financial Instruments	Floating Interest rate		Non-interest Bearing		Total carrying Amount as per the Statement of Financial Position		Weighted average Effective interest rate	
	2020	2019	2020	2019	2020	2019	2020	2019
(i) Financial assets								
Cash	16,823	3,443	-	-	16,823	3,443	0.05%	0.22%
Trade receivables	-	-	1,633	1,475	1,633	1,475	-	-
Prepayments	-	-	5,881	-	5,881	-	-	-
Total financial assets	16,823	3,443	7,514	1,475	24,337	4,918	-	-
(ii) Financial liabilities								
Trade creditors & accruals	-	-	17,216	14,796	17,216	14,796	-	-
Total financial liabilities	-	-	17,216	14,796	17,216	14,796	-	-

Interest rate sensitivity

At 30 June 2020, if interest rates had changed by -100/+70 basis points from the year-end rates with all other variables held constant, post-tax profit for the year would have been \$13 lower/ \$201 higher (2019 – change of -100/+70 bps: \$62 lower/ \$193 higher), mainly as a result of higher/lower interest income from cash and cash equivalents. Equity would have been \$13 lower/ \$201 higher (2019 – change of -100/+70 bps: \$62 lower/ \$193 higher) mainly as a result of an increase/decrease in the interest income from cash and cash equivalents.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

18. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk

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

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

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

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

Financial liability and financial asset maturity analysis

30 June 2020	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Financial assets liabilities due for payment						
Trade creditors and accruals	17,216	17,216	-	-	-	-
Financial assets – cash flows realisable						
Cash and cash equivalents	16,823	16,823	-	-	-	-
Trade and other receivables	1,633	1,633	-	-	-	-
30 June 2019	Carrying amount	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Financial assets liabilities due for payment						
Trade creditors and accruals	14,796	14,796	-	-	-	-
Financial assets – cash flows realisable						
Cash and cash equivalents	3,443	3,443	-	-	-	-
Trade and other receivables	1,475	1,475	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

18. FINANCIAL INSTRUMENTS (continued)

(c) Fair values

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

	Total carrying amount As per balance sheet		Aggregate Fair value	
	2020	2019	2020	2019
Financial assets				
Cash	16,823	3,443	16,823	3,443
Prepayments	5,881	-	5,881	-
Receivables - other debtors	1,633	1,475	1,633	1,475
Total financial assets	24,337	4,918	24,337	4,918
Financial liabilities				
Trade creditors & accruals	17,216	14,796	17,216	14,796
Total financial liabilities	17,216	14,796	17,216	14,796

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

Recognised financial instruments

Cash: The carrying amount equals fair value because of their short-term to maturity.

Trade receivables: Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

Trade creditors and accruals are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

(d) Credit risk exposures

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

19. RECONCILIATION OF CASH FLOWS USED IN OPERATING ACTIVITIES

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

	Consolidated Group	
	2020	2019
	\$	\$
Cash flows used in operating activities		
Loss for the period	(99,448)	(111,517)
Adjustment for depreciation	447	473
Change in trade and other receivables	(158)	29,350
Change in other current assets	(5,881)	5,490
Change in trade and other payables	2,420	(8,341)
Net cash used in operating activities	<u>(102,620)</u>	<u>(84,545)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Consolidated Group

	2020	2019
	\$	\$

20. AUDITORS REMUNERATION

Audit review services

Auditors of the Group- Grant Thornton Audit Pty Ltd

Audit and review of the financial statements- Group	<u>25,000</u>	<u>19,500</u>
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21. EVENTS SUBSEQUENT TO REPORTING DATE

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

ONCOLOGY RESEARCH INTERNATIONAL LIMITED
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DIRECTORS' DECLARATION

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


1. a) The consolidated financial statements and notes of Oncology Research International Limited, as set out on pages 8 to 28 are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of its financial position as at 30 June 2020 and of the performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) there are reasonable grounds to believe that Oncology Research International Limited will be able to pay its debts as and when they become due and payable.
2. The consolidated financial statements comply with International Financial Reporting Standards.

The company and a wholly owned subsidiary, Oncology Research Associates Pty Ltd, have entered into a deed of cross guarantee as described in Note 15 under which the company and its subsidiary guarantee the debts of each other.

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

Signed in accordance with a resolution of the directors:

Director


P A Marshall

Director


K M Wayte

Dated this 30 day of Oct 2020

Independent Auditor's Report

To the Members of Oncology Research International Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Oncology Research International Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of \$99,448 during the year ended 30 June 2020, and the Group incurred net operating cash outflows of \$102,620. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

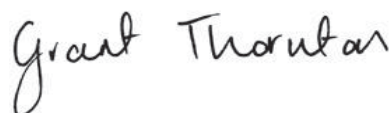
The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



C A Becker
Partner – Audit & Assurance

Perth, 30 October 2020