Prescient Therapeutics Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Prescient Therapeutics Limited
ABN:	56 006 569 106
Reporting period:	For the year ended 30 June 2016
Previous period:	For the year ended 30 June 2015

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	73.2%	to	10,704
Loss from ordinary activities after tax attributable to the Owners of Prescient Therapeutics Limited	down	17.8%	to	(1,754,142)
Loss for the year attributable to the Owners of Prescient Therapeutics Limited	down	17.8%	to	(1,754,142)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $1,754,142 (30 June 2015: $2,133,375).

Refer to the detailed operating results section included in the Company's 2016 Annual Report which accompanies this report, for a summary of the consolidated entity's results for the financial year.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	4.97	1.89

4. Control gained over entities

Name of entities (or group of entities)	Not Applicable
Date control gained	Not Applicable

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Name of entities (or group of entities)	Not Applicable
Date control lost	Not Applicable

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Prescient Therapeutics Limited for the year ended 30 June 2016 is attached.

12. Signed

Signed ____________________________ Date: 31 August 2016

Steven Engle
Non-Executive Chairman

Prescient Therapeutics Limited

ABN 56 006 569 106

Annual Report - 30 June 2016

Prescient Therapeutics Limited
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30 June 2016

Directors	Mr Steven Engle (Non-Executive Chairman) Mr Steven Yatomi-Clarke (Managing Director and CEO) Mr Paul Hopper (Executive Director) Dr James Campbell (Non-Executive Director)
Company secretary	Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 +61 3 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC, 3205
Share register	Automic Registry Services Suite 1a, Level 1 7 Ventnor Avenue West Perth, WA, 6005 +61 8 9324 2099
Auditor	Ernst & Young 8 Exhibition Street Melbourne, VIC 3000
Stock exchange listing	Prescient Therapeutics Limited shares are listed on the Australian Securities Exchange (ASX codes: PTX and PTXO)
Website	www.prescienttherapeutics.com

Prescient Therapeutics Limited
Chairman's Letter to Shareholders
30 June 2016

Dear Shareholder,

On behalf of the Board and Management of Prescient Therapeutics Limited, I am pleased to report on the Company's progress for the 2015-2016 year.

Earlier in the year, we strengthened company's leadership with the appointment of a new Managing Director and CEO, Mr Steven Yatomi-Clarke. As an existing board member and a recognized biotech industry financial advisor, Steven was able to step in quickly and pick up the pace. His contributions to date have already been substantial.

In his efforts, Steven is working closely with our Chief Medical Officer, Dr Terrence Chew, and Chief Scientific Officer, Professor Said Sebti, M.D., who are overseeing a US based clinical program at multiple sites. Both executives are seasoned drug developers with oncology specific knowledge and networks.

Throughout the year, Management continued to manage the ongoing evaluation of PTX-200 in Phase 1b breast cancer and ovarian cancer trials as planned and added an expansion cohort in the breast cancer trial at two sites. During the year, Management conducted a strategic review of the Company's compounds and it was decided to focus on PTX-200 in Acute Myeloid Leukemia.

As a result, the Company filed an Investigational New Drug (IND) application with the US Food and Drug Administration (FDA) which was approved. Based on this success, everyone wanted to move rapidly, however, we note that Management was prudent in conserving funds until the fundraising could be completed. Excepting that, Management has been very active in carrying out the key tasks to prepare for the upcoming Phase 1b and Phase 2 clinical trials. We look forward to the commencement of the trial.

The Company also bolstered its intellectual property portfolio, with key patents to underpin the development and commercialisation of our lead drug candidate PTX-200.

Regarding our second drug, PTX-100, Management is conducting a strategic review of the optimal indications and trial designs. PTX-100 is a Ras pathway inhibitor and is first-in-man and first-in-class and represents a very exciting opportunity for Prescient.

During the financial year, the Company has been successful in raising over $11 million through various capital raisings to advance its clinical programs. Post year end, an additional $1.3 million was raised, bringing the total to approximately $12.3 million.

On behalf of the Board, I want to thank our Management Team for their contributions in continuing to realize the Company's vision, and our shareholders for their continued support and interest. I also want to thank the many dedicated physicians and patients involved in our studies.

Steven Engle
Non-executive Chairman

Review of Operations

Below is a summary of the Company's operations during the financial year.

PTX 200

Acute Myeloid Leukemia (AML)

In January 2016, the company announced that it had secured US Food and Drug Administration (FDA) approval for its Investigational New Drug (IND) application for the forthcoming Phase Ib and Phase II clinical trial and program in AML.

The study will combine PTX's lead drug candidate, the novel Akt inhibitor PTX-200, together with the chemotherapeutic agent cytarabine, in refractory or relapsed patients with AML.

The new study has two parts, a Phase Ib study part and a Phase II study and will be undertaken under the leadership of Principal Investigator Professor Jeffrey Lancet, MD, a world renowned haematologist at the H. Lee Moffitt Cancer Center (Moffitt).

The Phase Ib study will enrol 15-18 patients and is an open-label, dose escalation study, using a standard design for dose escalation and for determining the safe dose to be used in combination with cytarabine in the Phase II part of the study. Four dose levels will be evaluated, with the initial dose level of 25 mg/m^2 PTX-200. Each dose level will be increased by 10 mg/m^2. Doses will be administered for a maximum of four 21-day cycles. Safety and clinical activity will be evaluated at the end of each cycle.

The Phase II study is open-label with administration of the recommended phase dose of PTX-200 for two 21-day cycles.

PTX-200 will be co-administered with cytarabine in both the Phase I and Phase II parts of the study. In determining the maximum tolerated dose (MTD), this study may also enrol patients with other forms of acute leukemia, including Acute Lymphoblastic Leukemia (ALL) and blast phase Chronic Myeloid Leukemia (CML).

The primary objectives are to:
- Determine the safety and MTD of PTX-200 given in combination with cytarabine in relapsed or refractory acute leukemia or relapsed or refractory blast phase CML (Phase I); and
- Determine clinical activity of PTX-200 + cytarabine in first relapsed AML (Phase II).

The secondary objectives are:
- To assess the effect of PTX-200 on phospho-Akt (p-Akt) signaling, proliferation and apoptosis within leukemia cells;
- Correlative studies to determine baseline p-Akt expression and signaling within leukemic blasts and the ability of PTX-200 to downregulate p-Akt signaling, to inhibit proliferation and induce apoptosis; and
- To evaluate the pharmacokinetics of PTX-200.

In June 2016, the company announced that Yale Cancer Center (Yale) in New Haven, Connecticut, USA, will also join the Moffitt on PTX's Phase 1b/2 clinical trial in AML.

Dr. Thomas Prebet MD, PhD, a highly respected US-based specialist in myeloid malignancies, will lead recruitment at Yale. Dr. Prebet is the Assistant Director of Myeloid Malignancy Research at Yale, where he is working to expand the clinical and translational research program in myeloid malignancies. PTX is delighted to have Dr Prebet and Yale join Professor Lancet and Moffitt on this important trial.

Breast Cancer

During 2016, the company announced that the last patient (patient 17) has been dosed in the escalation stage of its Akt inhibition Phase Ib breast cancer trial at the Montefiore Cancer Center of Albert Einstein University in New York (Albert Einstein University) under the guidance of Professor Joseph Sparano. The trial is targeting women with metastatic and locally advanced HER2 negative breast cancer.

This last patient received treatment on the third dose level and had no dose limiting toxicity (DLT). As a result, the recommended Phase II dose (RPTD) for this trial has been determined as 35 mg/m^2 PTX-200, together with chemotherapy.

Now in its expansion cohort, the Moffitt recently joined Albert Einstein University on this trial. Dr Heather Han, a medical oncologist in breast cancer in the Center for Women's Oncology at the Moffitt, is currently screening patients for enrolment.

Intellectual Property

During the year, the Company bolstered its intellectual property portfolio, with the US Patent and Trademark Office granting key patents to underpin the development and commercialisation of lead drug candidate PTX-200. These patents confirm PTX's monopoly rights to this novel compound in the US and will further protect our proprietary position with this drug asset as it is used in combination studies as an adjunctive therapy with other drugs.

PTX-100

PTX-100 is a first in class compound with the ability to block important cancer-causing proteins such as Ral and Rho, leading to apoptosis (death) of cancer cells. Previous investigations have demonstrated encouraging data, with PTX-100 shown to be safe and well tolerated, and capable of achieving stable disease in a Phase 1 trial in patients with advanced solid tumours.

PTX is undertaking a strategic review of the optimal indication(s) and trial designs for PTX-100. This will take into consideration the novel p27 cancer biomarker as a companion diagnostic to potentially identify those patients that are most likely to respond to PTX-100 therapy.

Corporate

Board Changes

In October 2015, Mr Robert Crombie resigned as Managing Director and CEO of the Company. The Company's Executive Director, Mr Paul Hopper together with Non-executive Director, Mr Steven Yatomi-Clarke, led the Company's activities whilst the Company was carrying out a review for a new CEO.

In February 2016, the Company announced that the Board had appointed Mr Steven Yatomi-Clarke as Managing Director and Chief Executive Officer of the Company. Steven was widely regarded as one of Australia's most experienced healthcare and biotech capital markets operatives, and has a successful history of financing and advising many private and public biotech companies over the past decade.

Capital Raisings

During the financial year, the company raised over $11.0 million through two capital raising campaigns. The first, in November 2015, raised $2.0 million in a $1.0 million share purchase plan to existing shareholders (which was oversubscribed), immediately followed by a $1.0 million top-up placement.

In May 2016 the Company raised $7.0 million in an institutional placement, attracting specialist healthcare investors, followed by a rights issue to existing shareholders, which attracted subscriptions of $2.0 million just prior to the end of the financial year. The remaining shortfall of $1.3 million was successfully placed shortly after the end of the reporting period.

The Company warmly welcomes its new shareholders and thanks all our shareholders for their ongoing support.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Prescient Therapeutics Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors
The following persons were directors of Prescient Therapeutics Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Steven Engle
Mr Steven Yatomi-Clarke
Mr Paul Hopper
Dr James Campbell
Dr Robert Crombie (resigned 15 October 2015)

Principal activities
During the financial year the principal continuing activities of the Consolidated Entity consisted of:
- the preparation for and conduct of clinical trials relating to the companies drugs;
- business development associated with the promotion of Prescient's proprietary technologies and products; and
- business development associated with developing collaborative, partnership relationships and corporate transactions.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $1,754,142 (30 June 2015: $2,133,375).

Refer to the preceding review of operations for a summary of the consolidated entity's activities for the year.

The financial results of the consolidated entity for the year ended 30 June 2016 are summarised as follows:

<u>Statement of Financial Position</u>

- Cash and term deposits held of $9,753,646 (2015:$1,042,896) at reporting date. The Company did not have any debt.

<u>Operating Results</u>

- The Company produced a loss from ordinary activities before income tax of $1,754,142 (2015: $2,133,375).
- Revenue including other income during the period was $1,002,500 (2015: $251,086). This revenue consisted of interest amounting to $10,704 and R&D tax incentives received and receivable of $991,796.
- Total operating expenses for the period were $2,756,642 (2015: $2,384,461).
- Research and development costs of $797,889 (2015: $986,344) have been expensed in the year that they were incurred.
- Corporate expenses of $792,213 (2015: $418,323) have been expensed from continuing operations. These costs include legal fees for work completed associated with intellectual property, Company Secretarial fees, auditor fees and fees associated with investor relations.
- Administrative expenses of $296,272 (2015: $364,905) consisting of travel expenditure for Directors and Consultants, general administrative expenses and communications costs.
- Occupancy expenses of $24,992 (2015: $37,679) for rental expenses.
- Employment costs of $796,302 (2015: $472,694) for consulting fees and Director Fees.
- Share based payment costs of $41,932 (2015: $51,318).

<u>Statement of Cash Flows</u>

- The Company's cash outflow from operations over the period was $1,558,914 (2015: $2,240,655).
- During the period the Company raised $11,011,497 from various capital raisings and issue of fully paid ordinary shares.

Significant changes in the state of affairs

On 23 November 2015 the Company issued 17,174,368 fully paid ordinary shares at an issue price of $0.054 (5.4 cents) per share raising $927,421 (before costs) pursuant to the Company's Share Purchase Plan Offer dated 29 October 2015.

On 30 November 2015 the Company issued 19,319,076 fully paid ordinary shares at an issue price $0.054 (5.4 cents) per share as part of a Top-up Placement, as announced on 25 November 2015, raising $1,043,230 (before costs).

On 18 May 2016 the Company announced a 1 for 3 pro rata non-renounceable Entitlement Issue to shareholders at $0.09 (9 cents) per share, including a free attaching option for every 2 shares subscribed for, to raise approximately $3.4 million before issue costs.

On 18 May 2016 it was also announced that the Company had received commitments from professional and sophisticated investors raising $7,000,000 through the issue of 77,777,784 fully paid ordinary shares at an issue price of $0.09 (9 cents) per share. The capital raising was to be completed through a two tranche placement with the second tranche requiring shareholder approval. The Company also agreed to issue a free attaching option for every two new shares applied for through the share placement, with each option exercisable at $0.18 (18 cents) per option on or before 30 June 2018.

On 24 May 2016 the Company completed tranche 1 of the share placement issuing a total of 19,444,448 fully paid ordinary shares at an issue price of $0.09 (9 cents) per share raising $1,750,000.

On 23 June 2016 the Company completed Tranche 2 of the share placement, following shareholder approval received on 22 June 2016, and issued a total of 58,333,336 fully paid ordinary shares at an issue price of $0.09 (9 cents) per share raising $5,250,000.

On 29 June 2016 the Company announced the closure and applications received in relation to its pro-rata non-renounceable entitlement issue. On 30 June 2016 the Company issued a total of 22,676,070 fully paid ordinary shares at an issue price of $0.09 (9 cents) per share in relation to acceptances received, raising $2,040,846. The Company also issued 11,338,106 options exercisable at $0.18 (18 cents) on or before 30 June 2018 to shareholders who participated through the Company’s entitlement issue and 38,888,893 options to participants of the Company’s recent share placement. The options were also quoted on ASX under the code PTXO.

There were no other significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

On 12 July 2016 the Company announced it had successfully placed the shortfall shares from the recent Entitlement Offer raising additional gross proceeds of approximately $1.3 million. A total of 15,052,633 fully paid ordinary shares were issued pursuant to this placement along with 7,526,312 listed options on 18 July 2016. On 16 August 2016 the Company issued 1,000 fully paid ordinary shares in relation to the conversion of PTXO listed options.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Company is currently developing novel compounds that show promise as potential new therapies to treat a range of cancers, including breast and ovarian cancer, as well as leukaemia. The first trial is a Phase Ib/II trial evaluating PTX-200 as a new therapy for relapse and refractory Acute Myeloid Leukaemia, being conducted at Florida’s H. Lee Moffitt Cancer Center (Moffitt) and Yale Cancer Center (Yale) in New Haven, Connecticut under the leadership of Principal Investigator Professor Jeffrey Lancet, MD. The Company is also conducting a Phase Ib/II study examining PTX-200 in breast cancer patients at the prestigious Montefiore Cancer Center in New York and the Moffitt. The third trial is a Phase Ib/II trial of PTX-200 in combination with current standard of care is also underway in patients with recurrent or persistent platinum resistant ovarian cancer at the Moffitt. PTX’s second novel drug candidate, PTX-100, is a first in class compound with the ability to block an important cancer growth enzyme known as geranylgeranyl transferase (GGT). It also blocks the Ral and Rho circuits in cancer cells which act as key oncogenic survival pathways, leading to apoptosis (death) of cancer cells. PTX-100 was well tolerated and achieved stable disease in a Phase I trial in advanced solid tumors.

The Company's second drug candidate, PTX-100, is a first in class compound with the ability to block an important cancer growth enzyme known as geranylgeranyl transferase (GGT). It also blocks the Ral and Rho circuits in cancer cells which act as key oncogenic survival pathways, leading to apoptosis (death) of cancer cells. PTX-100 was well tolerated and achieved stable disease in a Phase I trial in advanced solid tumors. The expected results of operations for the consolidated entity will depend on the results of these clinical trials.

Environmental regulation

The Company's activities in respect of the conduct of preclinical and clinical trials and the manufacturing of drugs, using PTX 100 and PTX 200 technology and other biological technologies, for preclinical and clinical trials are subject to the law of the Commonwealth or the State or Territory in which such activity takes place. The Company undertakes such activities itself and through contractors. Some aspects of such activities could be construed as being covered by law or regulations relating to environmental matters. It is believed that, should activities be so construed, the Company meets the requirements of such law and regulations. The Company retains the right, under the respective contracts, to audit the performance of its contractors.

Information on Directors

Name:	Mr Steven Engle
Title:	Non-executive Chairman
Experience and expertise:	Steve Engle is CEO of Averigon Consulting, an advisory firm to the life science industry. Previously, Mr. Engle was Chairman and CEO of XOMA, a developer of antibody therapeutics for inflammatory, metabolic and other diseases and which had partnerships with multiple pharmaceutical companies. Prior to that, he was Chairman and CEO of La Jolla Pharmaceutical Company, which discovered the biology of B cell tolerance, developed the first B cell toleragen for lupus patients, and received an approvable letter from the FDA. Mr. Engle served as VP of Marketing for Cygnus, a drug delivery company, where he helped gain FDA approval of and launch Nicotrol for smoking cessation. He was VP of Marketing at a device company and a management consultant at Strategic Decisions Group and SRI International. Mr. Engle is a board member of Anthera Pharmaceuticals, AROA Biosurgery, Author IT, and Prescient Therapeutics. He is a former board member of BIO, Baybio, BIOCOM and the Lupus Foundation of America. Mr. Engle holds a B.S. and an M.S. in electrical engineering with a focus in biomedical engineering from the University of Texas at Austin.
Other current directorships:	Anthera Pharmaceuticals Inc (NASDAQ: ANTH)
Former directorships (last 3 years):	None.
Special responsibilities:	Member of the Audit Committee and Remuneration and Nomination Committee
Interests in shares:	Nil.
Interests in options:	300,000 unlisted options at an exercise price of \$0.081 and an expiry date of 4 November 2018. 150,000 unlisted options have a vesting date of 4 November 2015, 75,000 unlisted options have a vesting date of 4 November 2016 and 75,000 unlisted options have a vesting date of 4 November 2017.

Name:	Mr Steven Yatomi-Clarke
Title:	Managing Director and CEO (appointed as of 15 February 2016)
Qualifications:	BSc (Hons), BCom
Experience and expertise:	Mr Yatomi-Clarke was promoted to CEO and Managing Director of Prescient Therapeutics in February 2016, having previously been a Non-executive Director of the Company. He has over 16 years' experience in investment banking specialising in healthcare and biotechnology, where he was consistently one of the most prolific and successful bankers, involved in primary and secondary offerings, corporate advisory and mergers and acquisitions assignments for pharmaceutical and medical device companies. Educated at the University of Melbourne, where he earned a Bachelor of Science with an Honours Degree in Biochemistry and Molecular Biology, and a Bachelor of Commerce majoring in Economics, he has the rare distinction of readily bridging the divide between science and commerce. Mr Yatomi-Clarke has also been a collaborator on clinical trials conducted in Australia and the US in the field of cancer immunotherapy.
Other current directorships:	None.
Former directorships (last 3 years):	None.
Special responsibilities:	None.
Interests in shares:	2,394,412 Fully paid ordinary shares.
Interests in options:	70,000 listed options. 200,000 unlisted options at an exercise price of \$0.081 and an expiry date of 4 November 2018. 100,000 unlisted options have a vesting date of 4 November 2015, 50,000 unlisted options have a vesting date of 4 November 2016 and 50,000 unlisted options have a vesting date of 4 November 2017.

Name:	Mr Paul Hopper
Title:	Executive Director
Qualifications:	BA, ASIA
Experience and expertise:	Mr Hopper has over twenty years' experience in the management and funding of biotechnology and healthcare public companies both as CEO and Director, with extensive capital markets experience in equity and debt raisings in Australia, Asia, US and Europe. Mr Hopper's sector experience has covered a number of therapeutic areas with a particular emphasis on immunotherapy and cancer vaccines. He is Head of the Australia Desk and Head of the Life Sciences and Biotechnology practice at the Los Angeles merchant bank Cappello Group where he is a partner. Mr Hopper has served as CEO and Director of many listed biotechnology and healthcare companies in Australia and the US.
Other current directorships:	Viralytics Limited (ASX: VLA) and Imugene Limited (ASX: IMU)
Former directorships (last 3 years):	Director Psvida Corp 2008 to 2014.
Special responsibilities:	None.
Interests in shares:	9,277,586 fully paid ordinary shares
Interests in options:	22,222 listed options

Name:	Dr James Campbell
Title:	Non-executive Director
Experience and expertise:	Dr. Campbell has more than 20 years of international biotechnology research, management and leadership experience and has been involved in the creation and/or transformation of several Australian and international biotechnology companies. Dr. Campbell was previously the CFO and COO of ChemGenex Pharmaceuticals Limited (ASX: CXS). As a member of the ChemGenex executive team he helped transform a research-based company with a market capitalisation of $10M to a company with completed clinical trials and regulatory dossiers submitted to the FDA and EMA which was sold to Cephalon for $230M in 2011. More recently Dr. Campbell has guided the creation, through acquisition, of Invion Limited (ASX: IVX) and has assisted private biotechnology companies in New Zealand and the USA with capital raising, strategy and partnering negotiations.
Other current directorships:	Managing Director and CEO of Patrys Limited (PAB: ASX), Non-Executive Director of Invion Limited (ASX: IVX) and Medibio Limited (ASX: MEB).
Former directorships (last 3 years):	None.
Special responsibilities:	Chairman of Audit Committee and Member of the Remuneration & Nomination Committee
Interests in shares:	None.
Interests in options:	200,000 unlisted options at an exercise price of $0.081 and an exercise date of 4 November 2018. 100,000 unlisted options have a vesting date of 4 November 2015, 50,000 unlisted options have a vesting date of 4 November 2016 and 50,000 unlisted options have a vesting date of 4 November 2017.

Name:	Dr Robert Crombie
Title:	Managing Director (Dr Crombie resigned on 15 October 2015)
Qualifications:	BA(Mod) Hons, PhD
Experience and expertise:	Dr Crombie resigned from the Company on 15 October 2015.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Melanie Leydin is a Chartered Accountant and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. In the course of her practice she audits listed and unlisted public companies involved in the biotechnology and resources industries. Her practice also involves outsourced company secretarial and accounting services to public companies in the biotechnology and resources sectors. This involves preparation of statutory financial statements, annual reports, half year reports, stock exchange announcements and quarterly ASX reporting and other statutory requirements. Melanie has 23 years' experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Securities Exchange.

Meetings of Directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Steven Engle	10	10	-	-	2	2
Mr Steven Yatomi-Clarke	9	10	-	-	2	2
Mr Paul Hopper	10	10	-	-	-	-
Dr James Campbell	9	10	-	-	2	2
Dr Robert Crombie	3	3	-	-	-	-

Held: represents the number of meetings held during the time the Director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 9 November 2004, where the shareholders approved an aggregate remuneration of $400,000.

Executive remuneration
The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The long-term incentives ('LTI') include share-based payments. Options are awarded to executives over a period of three years based on long-term incentive measures.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Consolidated Entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Refer to the additional information disclosure for a summary of earnings of the Company.

Use of remuneration consultants
During the year ended 30 June 2016 the Company did not engage any remuneration consultants.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')
At the 2015 AGM, 99.69% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Bonus	Non-Monetary	Super-annuation	Long service leave	Equity-settled options	Termination Payments	Total
2016	$	$	$	$	$	$	$	$
Non-Executive Directors:								
Mr Steven Engle	65,000	-	-	-	-	6,943	-	71,943
Dr James Campbell	45,000	-	-	4,275	-	4,629	-	53,904
Executive Directors:								
Mr Steven Yatomi-Clarke*	168,300	-	-	13,716	-	4,629	-	186,645
Mr Paul Hopper	180,000	-	-	-	-	-	-	180,000
Dr Robert Crombie**	171,913	10,000	-	13,062	-	-	137,500	332,475
Other Key Management Personnel:								
Melanie Leydin***	86,000	-	-	-	-	-	-	86,000
Professor Said Sebti****	101,850	-	-	-	-	11,227	-	113,077
Dr Terrence Chew	156,828	-	-	-	-	-	-	156,828
	974,891	10,000	-	31,053	-	27,428	137,500	1,180,872

* Appointed as Managing Director and CEO on 15 February 2016.
** Dr Crombie resigned on 15 October 2015.
*** Fees paid to Leydin Freyer Corp Pty Ltd in respect of company secretarial and accounting services.
**** Dr Sebti's fee increased to $20,000 USD per quarter from 1 January 2016.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled options $	Total $
Non-Executive Directors:							
Mr Steven Engle *	38,458	-	-	-	-	-	38,458
Mr Steven Yatomi-Clarke *	27,517	-	-	2,529	-	-	30,046
Dr James Campbell *	27,517	-	-	2,529	-	-	30,046
Dr Wayne Millen **	30,217	-	-	-	-	-	30,217
Dr Rohan Toder **	15,000	-	-	-	-	-	15,000
Dr Brendan de Kauwe **	15,000	-	-	-	-	-	15,000
Executive Directors:							
Dr Robert Crombie	275,157	-	-	26,168	-	50,444	351,769
Mr Paul Hopper	135,000	-	-	-	-	-	135,000
Other Key Management Personnel:							
Melanie Leydin ***	45,500	-	-	-	-	-	45,500
Professor Said Sebti****	16,442	-	-	-	-	980	17,422
Dr Terrence Chew*****	24,270	-	-	-	-	-	24,270
	650,078	-	-	31,226	-	51,424	732,728

* Appointed 28 November 2014.

** Resigned 28 November 2014.

*** Ms Melanie Leydin was appointed as Company Secretary on 3 February 2015. Fees paid to Leydin Freyer Corp Pty Ltd in respect of company secretarial and accounting services.

**** Professor Said M. Sebti was appointed on 26 May 2015 as Chief Scientific Officer of the consolidated entity.

***** On 28 April 2015, Dr Terrence Chew was appointed as Chief Medical Officer of the Company. During the period 28 April 2015 – 30 June 2015 as Chief Medical Officer, Dr Chew received A$24,270 in remuneration. Prior to becoming Chief Medical Officer of the Company, Dr Chew also received additional remuneration as a consultant amounting to A$4,483

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - LTI		At risk - STI	
Name	2016	2015	2016	2015	2016	2015
Non-Executive Directors:						
Mr Steven Engle	90%	100%	10%	-	-	-
Dr James Campbell	91%	100%	9%	-	-	-
Executive Directors:						
Dr Robert Crombie	97%	86%	-	14%	3%	-
Mr Paul Hopper	100%	100%	-	-	-	-
Mr Steven Yatomi-Clarke	98%	100%	2%	-	-	-
Other Key Management Personnel:						
Ms Melanie Leydin	100%	100%	-	-	-	-
Professor Said Sebti	90%	94%	10%	6%	-	-
Dr Terrence Chew	100%	100%	-	-	-	-

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Steven Yatomi-Clarke
Title:	Managing Director & CEO
Agreement commenced:	15 February 2016
Term of agreement:	No fixed term, commencing on 15 February 2016 for an ongoing term subject to termination by the Company with six months' notice or by Mr Yatomi-Clarke with 6 months' notice.
Details:	Mr Yatomi-Clarke will be entitled to an annual salary of $310,000 plus superannuation, subject to annual review. In addition, the Company will pay Mr Yatomi-Clarke a performance based bonus over and above the annual salary. This bonus is split between short-term incentives and long-term incentives. The STI bonus amount is payable within 30 days upon achievement of relevant milestones. Three months before the commencement of each subsequent year, the Board and the Employee will agree the milestones applicable to the achievement of the Bonus Amount for those years. The LTI bonus provides that the Employer may grant a loan to acquire up to 5,000,000 shares subject to shareholder approval.

Name:	Mr Paul Hopper
Title:	Executive Director
Agreement commenced:	1 December 2014
Term of agreement:	No fixed term, commencing on 1 December 2014 and for an ongoing term subject to termination by the Company with 2 months' notice.
Details:	Mr Hopper is entitled to an annual base consulting fee of $180,000 per annum.

Name:	Professor Said Sebti
Title:	Chief Scientific Officer
Agreement commenced:	28 May 2015
Term of agreement:	The term of the agreement is initially six months (6) that may be extended to two (2) years commencing on the date of the agreement, subject to termination by the Company with 1 months' notice.
Details:	During the period, the company increased Professor Sebti's fees to $USD80,000 per annum.

Name:	Dr Terrence Chew
Title:	Chief Medical Officer
Agreement commenced:	20 April 2015
Term of agreement:	No fixed term, commencing 20 April 2015 and for an ongoing term subject to termination by the Company with 14 days' notice.
Details:	Dr Chew is entitled to a fixed rate of $USD114,000 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
11 December 2014 for 500,000 options	Vest when share price equals or exceeds 30 cents over 10 trading days in any 20 sequential trading days out of 60 days at any time after issue.	11 December 2018	$0.140	$0.129
6 May 2015 for 100,000 options	6 May 2016	11 May 2018	$0.092	$0.064
6 May 2015 for 100,000 options	6 May 2017	11 May 2018	$0.092	$0.064
6 May 2015 for 100,000 options	6 May 2018	11 May 2018	$0.092	$0.060
4 November 2015 for 350,000 options	4 November 2016	4 November 2018	$0.085	$0.032
4 November 2015 for 175,000 options	4 November 2016	4 November 2018	$0.085	$0.032
4 November 2015 for 175,000 options	4 November 2017	4 November 2018	$0.085	$0.032

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of options granted during the year 2016	Number of options granted during the year 2015	Number of options vested during the year 2016	Number of options vested during the year 2015
Dr Robert Crombie	-	2,000,000	-	500,000
Professor Said Sebti	200,000	300,000	100,000	-
Steven Yatomi-Clarke	200,000	-	100,000	-
Steven Engle	300,000	-	150,000	-
James Campbell	200,000	-	100,000	-

Values of options over ordinary shares granted, exercised and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
Robert Crombie	-	-	116,492	26%
James Campbell	4,629	-	-	9%
Steven Engle	6,943	-	-	10%
Steven Yatomi-Clarke	4,629	-	-	2%
Said Sebti	11,227	-	-	10%

Additional information
The earnings of the Consolidated Entity for the five years to 30 June 2016 are summarised below:

	2016 $	2015 $	2014 $	2013 $	2012 $
Revenue	10,704	39,967	8,142	2,240,154	145,495
Net profit/(loss) before tax	(1,754,142)	(2,133,375)	(1,769,396)	1,787,000	(1,892,370)
Net profit/(loss) after tax	(1,754,142)	(2,133,375)	(1,769,396)	1,787,000	(1,892,370)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Mr Paul Hopper	9,038,338	-	165,914	-	9,204,252
Mr Steven Yatomi-Clarke	2,040,000	-	354,412	-	2,394,412
	11,078,338	-	520,326	-	11,598,664

* Steven Engle and James Campbell do not hold shares in the Company.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Robert Crombie*	2,000,000	-	-	(2,000,000)	-
Steven Yatomi Clarke	-	200,000	-	70,000	270,000
James Campbell	-	200,000	-	-	200,000
Steven Engle	-	300,000	-	-	300,000
Professor Said M. Sebti	300,000	200,000	-	-	500,000
Paul Hopper	-	-	-	22,222	22,222
	2,300,000	900,000	-	(1,907,778)	1,292,222

* Dr Robert Crombie resigned on 15 October 2015. As at the date of Dr Crombie's resignation, he held 500,000 unlisted options.

	Vested and exercisable	Not reached vesting date	Balance at the end of the year
Options over ordinary shares			
Steven Yatomi-Clarke	170,000	100,000	270,000
James Campbell	100,000	100,000	200,000
Steven Engle	150,000	150,000	300,000
Said Sebti	100,000	400,000	500,000
Paul Hopper	22,222	-	22,222
	542,222	750,000	1,292,222

Loans to key management personnel and their related parties
There were no loans to Key Management Personnel at any time during the financial year (2015: Nil).

Other transactions with key management personnel and their related parties
During the previous financial year, the Company entered into an Agreement to acquire AKTivate Therapeutics Pty Ltd ("AKTivate"), an entity which is a related party to Mr Paul Hopper ("Hopper"). The acquisition of AKTivate was a substantial asset acquisition for the Company and as a result of the related party transaction, shareholder approval was sought at the Company's 2014 Annual General Meeting of shareholders and an Independent Expert's Report prepared.

A total of 4,583,338 fully paid ordinary shares were issued in December 2014 to Mr Hopper and related parties in consideration for the acquisition of AKTivate Therapeutics Pty Ltd, in accordance with the shareholder approval obtained.

During the previous financial year the Company issued 4,500,000 shares to the vendors of Pathway Oncology in satisfaction of Milestone 1 of the acquisition consideration. The vendors of Pathway include Mr Paul Hopper and Mr Said Sebti. Mr Paul Hopper was not a related party at the time of the initial acquisition transaction which completed in May 2014.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Prescient Therapeutics Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
11 December 2014	11 December 2018	$0.140	500,000
27 May 2015	6 May 2018	$0.092	300,000
4 November 2015	4 November 2018	$0.085	700,000
23 November 2015	20 October 2020	$0.060	200,000
5 February 2016	12 October 2017	$0.100	4,385,000
30 June 2016	30 June 2018	$0.180	57,753,311
			63,838,311

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Prescient Therapeutics Limited issued on the exercise of options during the year ended 30 June 2016 and up to the date of this report.

Indemnity and insurance of officers
During the financial year, Prescient Therapeutics Limited paid an insurance premium in respect of a contract insuring directors, secretaries and executive officers of the Company and its controlled entities against a liability incurred as director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

Indemnity and insurance of auditor
To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payments have been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the 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 part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Ernst & Young
There are no officers of the Company who are former partners of Ernst & Young.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Steven Engle
Non-Executive Chairman

31 August 2016

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
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Auditor's Independence Declaration to the Directors of Prescient Therapeutics Limited

As lead auditor for the audit of Prescient Therapeutics Limited for the financial year ended 30 June 2016, I declare 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.

Ernst + Young

Ernst & Young

Joanne Lonergan
Partner
31 August 2016

Prescient Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Revenue		10,704	39,967
Other income	5	991,796	211,119
Expenses			
Research and development costs		(797,889)	(986,344)
Corporate expenses		(792,213)	(418,323)
Administrative expenses		(296,272)	(364,905)
Occupancy expenses		(24,992)	(37,679)
Realised foreign exchange movements		(7,042)	(53,198)
Employment costs		(796,302)	(472,694)
Share based payments		(41,932)	(51,318)
Loss before income tax expense		(1,754,142)	(2,133,375)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the Owners of Prescient Therapeutics Limited		(1,754,142)	(2,133,375)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Prescient Therapeutics Limited		(1,754,142)	(2,133,375)
		Cents	**Cents**
Basic loss per share	28	(2.13)	(4.28)
Diluted loss per share	28	(2.13)	(4.28)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Prescient Therapeutics Limited
Statement of financial position
As at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Assets			
Current assets			
Cash and cash equivalents	8	9,753,646	1,042,896
Trade and other receivables	9	19,520	216,360
Other	10	693,864	265,464
Total current assets		10,467,030	1,524,720
Non-current assets			
Property, plant and equipment	11	1,149	-
Intangibles	12	3,366,894	3,366,894
Total non-current assets		3,368,043	3,366,894
Total assets		13,835,073	4,891,614
Liabilities			
Current liabilities			
Trade and other payables	13	812,375	416,834
Employee benefits	14	9,829	21,799
Total current liabilities		822,204	438,633
Non-current liabilities			
Employee benefits	15	347	2,495
Total non-current liabilities		347	2,495
Total liabilities		822,551	441,128
Net assets		13,012,522	4,450,486
Equity			
Issued capital	16	54,276,559	43,994,092
Reserves	17	609,214	575,503
Accumulated losses		(41,873,251)	(40,119,109)
Total equity		13,012,522	4,450,486

The above statement of financial position should be read in conjunction with the accompanying notes

Prescient Therapeutics Limited
Statement of changes in equity
For the year ended 30 June 2016

Consolidated	**Issued capital $**	**Foreign Currency Reserve $**	**Share Based Payments Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2014	42,496,592	-	515,964	(37,985,734)	5,026,822
Loss after income tax expense for the year	-	-	-	(2,133,375)	(2,133,375)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,133,375)	(2,133,375)
Transactions with Owners in their capacity as Owners:					
Share-based payments (note 29)	1,497,500	-	51,318	-	1,548,818
Issue of Shares and Options	-	8,221	-	-	8,221
Balance at 30 June 2015	43,994,092	8,221	567,282	(40,119,109)	4,450,486

Consolidated	**Issued capital $**	**Foreign Currency Reserve $**	**Share Based Payments Reserves $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2015	43,994,092	8,221	567,282	(40,119,109)	4,450,486
Loss after income tax expense for the year	-	-	-	(1,754,142)	(1,754,142)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,754,142)	(1,754,142)
Issue of Shares and Options	11,011,497	-	-	-	11,011,497
Less Costs of Capital Raising	(729,030)	-	-	-	(729,030)
Adjustment for lapsed options during the year	-	-	(54,895)	-	(54,895)
Share based payments (note 29)	-	-	96,827	-	96,827
Foreign exchange movements	-	(8,221)	-	-	(8,221)
Balance at 30 June 2016	54,276,559	-	609,214	(41,873,251)	13,012,522

The above statement of changes in equity should be read in conjunction with the accompanying notes

Prescient Therapeutics Limited
Statement of cash flows
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(2,127,714)	(2,280,622)
Interest received		10,713	39,967
R&D Tax Concession		558,087	-
Net cash used in operating activities	27	(1,558,914)	(2,240,655)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,320)	-
Payments for intangibles		-	(525,011)
Proceeds from release of security deposits		3,780	-
Net cash from/(used in) investing activities		2,460	(525,011)
Cash flows from financing activities			
Proceeds from issue of shares		11,011,497	-
Capital raising costs		(729,030)	-
Net cash from financing activities		10,282,467	-
Net increase/(decrease) in cash and cash equivalents		8,726,013	(2,765,666)
Cash and cash equivalents at the beginning of the financial year		1,042,896	3,808,562
Effects of exchange rate changes on cash and cash equivalents		(15,263)	-
Cash and cash equivalents at the end of the financial year	8	9,753,646	1,042,896

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Prescient Therapeutics Limited as a consolidated entity consisting of Prescient Therapeutics Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Prescient Therapeutics Limited 's functional and presentation currency.

Prescient Therapeutics Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 4, 100 Albert Road
South Melbourne, VIC, 3205

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2016.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 30 June 2016 of the consolidated entity results in an excess of current assets over current liabilities of $9,644,826 (30 June 2015: $1,086,087 excess). The consolidated entity made a loss after tax of $1,754,142 during the financial year (2015: $2,133,375) and the net operating cash outflow was $1,558,914 (2015: $2,240,655 net outflow). The cash balance as at 30 June 2016 was $9,753,646 (30 June 2015: $1,042,896).

The Directors are of the opinion that the existing cash reserves, receipts from research and development rebates and capital raised during the 2016 financial year will provide the Company with adequate funds to ensure its continued viability and operate as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 24.

Note 2. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Prescient Therapeutics Limited ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. Prescient Therapeutics Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity 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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Government subsidies
Subsidies from the government including R&D tax incentive income, are recognised as revenue at their fair value where there is reasonable assurance that the grant will be received, the Company will comply with attached conditions and the R&D incentive is readily measureable. The estimate for the 2016 financial year is reliably measurable therefore the R&D tax incentive is measured on an accruals basis.

Sale of goods
Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Rendering of services
Rendering of services revenue from computer maintenance fees is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment: 3 - 7 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost.

Research and Development
Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project will be recognised only when the Company or a subsidiary can demonstrate all of the following:
- technical feasibility of completing the intangible asset so that it will be available for use or sale,
- it intends to complete the asset and use or sell it,
- its ability to use or sell the asset,
- how the asset will generate future economic benefits,
- the availability of resources to complete the development and to use or sell the asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure as an intangible asset, the asset is required to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

Note 2. Significant accounting policies (continued)

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the Owners of Prescient Therapeutics Limited , excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2016. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Consolidated Entity, are set out below.

Note 2. Significant accounting policies (continued)

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Consolidated Entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Consolidated Entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the Consolidated Entity.

AASB 16 Leases
This standard replaces AASB 117 Leases and some lease-related interpretations. It requires all leases to be accounted for ‘on-balance sheet’ by lessees, other than short-term and low value asset leases. It provides new guidance on the application of the definition of lease and on sale and lease back accounting. The standard largely relates retains the existing lessor accounting requirements in AASB117 but requires new and difference disclosures about leases.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Estimation of useful lives of assets
The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 4. Operating segments

Identification of reportable operating segments
The Company operated predominately in the clinical stage oncology industry within Australia. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of clinical stage oncology within Australia.

Note 4. Operating segments (continued)

Note 5. Other income

	Consolidated 2016 $	Consolidated 2015 $
Research and Development Tax Incentive	991,796	211,119

Effective 1, July 2011, the R&D tax incentive regime replaced the R&D tax concession. Under this regime, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 45% on the eligible R&D expenditure incurred on eligible R&D activities.

The 45% refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance and is recorded as 'other income' in the Statement of Comprehensive Income.

During the financial year, Prescient has recognised $991,796 in income for these offsets. Prescient has accounted for under accrued revenue from the previous financial year, which was received during the year amounting to approximately $346,928. The Company was not certain of the final amount until the return was lodged following the completion of the 2015 Annual Report. Note 10 of this report includes the accrued revenue for the current year which totals $644,828.

Note 6. Reclassification of expenses

2015 Year Expense Account	Total Expense $	Description
Research & Development	986,344	This has been categorised in the same way in the current financial year.
Business Development	317,538	These expenses have now been categorised in administrative expenses.
Corporate Expenses	83,579	These expenses have now been categorised in corporate expenses.
Administration Expenses	85,049	These expenses have been accounted for in occupancy expenses as well as administrative expenses.
Audit & tax service expenses	145,139	These expenses have now been categorised in corporate expenses.
Insurance and legal expenses	134,255	These expenses have now been categorised in corporate expenses.
Employment costs	440,589	There has not been a change to the classification of these expenses.
Employee share based expenses	53,198	There has not been a change to the classification of these expenses.
Investor services expenses	55,350	These expenses have now been categorised in corporate expenses.
Outside advisors & consultant expenses	83,423	These expenses have now been categorised in employment expenses.

During the financial year, a reclassification of the presentation of costs in the Statement of Profit and Loss was implemented and the nature of the reclassification was to reduce the number of expense categories and the reason for the reclassification was for better presentation and readability of the accounts.

Note 7. Income tax benefit

	Consolidated 2016 $	Consolidated 2015 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,754,142)	(2,133,375)
Tax at the statutory tax rate of 30%	(526,243)	(640,013)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments	12,580	15,395
Others	1,563	2,827
Net temporary differences not recognised	379,753	607,413
Research and development related income and expenditure	132,347	14,378
Income tax benefit	-	-

Prescient Therapeutics Limited has unconfirmed, un-recouped tax losses in Australia which have not been brought to account. The ability to be able to recognise a deferred tax asset in respect of these tax losses will be dependent upon the probability that future taxable profit will be available against which the unused tax losses can be utilised and the conditions for deductibility imposed by Australian tax authorises will be complied with.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank	9,733,646	1,042,896
Cash on deposit	20,000	-
	9,753,646	1,042,896

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Note 9. Current assets - trade and other receivables

	Consolidated 2016 $	Consolidated 2015 $
Other receivables	104	113
GST receivable	19,416	216,247
	19,520	216,360

Balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these balances will be received when due.

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

Note 10. Current assets - other

	Consolidated 2016 $	Consolidated 2015 $
R&D tax incentive receivable	644,828	211,119
Prepayments	49,036	50,565
Security deposits	-	3,780
	693,864	265,464

Effective 1, July 2011, the R&D tax incentive regime replaced the R&D tax concession. Under this regime, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 45% on the eligible R&D expenditure incurred on eligible R&D activities.

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2016 $	Consolidated 2015 $
Computer equipment - at cost	1,320	-
Less: Accumulated depreciation	(171)	-
	1,149	-

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer Equipment $	Total $
Balance at 1 July 2014	-	-
Balance at 30 June 2015	-	-
Additions	1,320	1,320
Depreciation expense	(171)	(171)
Balance at 30 June 2016	1,149	1,149

Note 12. Non-current assets - intangibles

	Consolidated 2016 $	Consolidated 2015 $
Intellectual property	3,366,894	3,366,894

Note 12. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Intellectual Property at cost $	Total $
Balance at 1 July 2014	1,344,383	1,344,383
Issue of shares for acquisition of AKTivate & Pathway	1,497,500	1,497,500
Acquisition Costs	525,011	525,011
Balance at 30 June 2015	3,366,894	3,366,894
Balance at 30 June 2016	3,366,894	3,366,894

Carrying Value of Cash Generating Units
The balance of intangibles represents the cost on acquisition for Pathway Oncology Pty Ltd (Pathway) in May 2014 and AKTivate Therapeutics Pty Ltd (AKTivate) in October 2014.

The total cost of acquisition is as follows:

Pathway: $1,650,176
AKTivate: $1,716,718

The carrying amount of the consolidated entity's intangible assets that are yet to be commercialised are reviewed at each reporting date for potential impairment. Impairment is now assessed at a CGU level rather than based on individual intangible assets capitalised due to the consolidated entity's technologies being platform technologies where cash flows are inter-dependent.

Impairment Assessment at 30 June 2016

The impairment assessment consists of a comparison of the carrying value with the expected recoverable amount of the intangible assets based on the estimated value in use which is determined by discounted cash flow models, as set out below.

As a result of the impairment assessment at 30 June 2016, the directors and management of the consolidated entity identified that the recoverable amount of the intellectual property, recorded for PTX-100 and PTX-200 as estimated from the discounted cash flows were not required to be impaired.

Impairment testing of significant CGUs

The consolidated entity's intangible assets are reviewed for impairment at a CGU level and individually identifiable projects to develop appropriate discounted cash flow models. The discounted cash flow models take into account a range of factors including:

- The status of an individual project with regard to its stage of product development;
- The extent of any incremental costs expected to be incurred to commercialise the intellectual property;
- Five to fifteen year forecast revenues from commercialisation of the intellectual property, including assumptions with respect to sales growth dependent upon either the quantum of projects forecast to commence;
- The risks attached to commercialising the asset, including any industry specific or regulatory risk;
- Anticipated levels of competition; and
- Other general economic factors.

Note 12. Non-current assets - intangibles (continued)

In generating the forecast cash flows, the Consolidated Entity has used a post-tax discount rate of 20% for all future cash flows for a 5 year period. The discount rate was used in conjunction with a range of probability factors for both CGUs to reflect the current assessment of the likelihood of success of the forecast cashflows.

Management note that reasonably possible changes in key assumptions include changes to probability factors applied to forecast cash flows, changes in the timing of cash flows and changes to assumed rates of market penetration. The most significant potential changes and their impact, independent of each other, on the carrying values to be tested for impairment are as follows at 30 June 2016:

- A reduction of 10% in the probability factors applied to forecast cash flows;
- A delay of six months in the commencement of forecast cash flows;
- A market growth rate of 10%; and- A reduction of 25% to the consolidated entity's assumed market penetration rates

Management's conclusion is that these changes in key assumptions while reducing the recoverable amounts of the consolidated entity's intellectual property, would not, as at 30 June 2016, reduce the recoverable amounts to the extent that the intangible assets would be impaired.

Acquisition of Pathway Oncology Pty Ltd

On 30 May 2014, the Company completed the acquisition of Pathway Oncology Pty Ltd (Pathway). Pathway is the holder of an exclusive worldwide licence of certain intellectual property from Yale University and the University of South Florida. The intellectual property includes anti-cancer technology developed at Yale University in New Haven, Connecticut and the Moffitt Cancer Center in Florida, the third largest cancer center in the United States. The technology is a novel cancer drug, GGTI-2418, that blocks the important cancer growth enzyme geranyl-geranyl transferase I (GGTase I) as well as Ral & Rho circuits in cancer cells, which are key oncogenic pathways for a cancer cell to survive and grow.

The acquisition of Pathway was accounted for as an “asset acquisition” under Australian Accounting Standards. The consideration paid for the acquisition of Pathway is as follows:

(a) 3,000,000 fully paid ordinary shares (post consolidation) in Prescient at settlement;
(b) within 18 months from the date of settlement and subject to the re-activation or re-opening, or allowance, of an IND for any disease indication by US FDA (Milestone 1), an additional 4,500,000 fully paid ordinary shares in Prescient within 10 Business Days of such satisfaction; and
(c) within 36 months from the date of settlement and subject to the dosing of the patient in a Phase Ib/II trial for any disease indication (Milestone 2), an additional 4,500,000 fully paid ordinary shares in Prescient within 10 Business Days of such satisfaction.

The Company was granted a waiver by ASX, as announced on 3 April 2014, in relation to ASX Listing Rule 7.3.2 to conditionally allow Prescient to issue the Milestone Shares outside of the period of 3 months after the date of the shareholders meeting. The meeting was held on 9 May 2014.

There were no shares issued pursuant to the ASX waiver during the financial year and the remaining 4,500,000 fully paid ordinary shares subject to Milestone 2 may be issued up until 9 May 2017, following satisfaction of the relevant milestone.

Note 12. Non-current assets - intangibles (continued)

Acquisition of AKTivate Therapeutics Pty Ltd

On 17 October 2014 the consolidated entity announced that it had entered into a binding agreement to acquire AKTivate Therapeutics Pty Ltd (ACN 168 507 202) (AKTivate), an oncology company with a novel TCN-P cancer drug. AKTivate's technology inhibits the highly promising drug target AKT and includes two active clinical trials – a Phase 1b/2 in breast cancer and an active Phase 1b in ovarian cancer. These trials are fully funded by US government authorities including grants from the Department of Defense and National Cancer Institute. The acquisition of AKTivate was accounted for as an "asset acquisition" under Australian Accounting Standards. The consideration paid for the acquisition of AKTivate is as follows:

(a) 6,700,005 fully paid ordinary shares (post-consolidation) at settlement;
(b) US$300,000 paid at settlement; and
(c) subject to the satisfaction of any one or more of Milestone 1, Milestone 2 or Milestone 3 (defined in clause 5 of the Share Sale and Purchase Agreement, together the milestones), the issue of 5,000,000 fully paid ordinary shares on a post consolidated basis to the shareholders other than Cahaba, Professor Said Sebti and Mrs Michele Sebti.

The Milestones as defined under the agreement are noted below:

(i) Milestone 1 – TCN-P successfully causing an Overall Response Rate for ovarian cancer treatment of 30% or greater for AKTivate's ovarian cancer trial of at least 30 patients and with an Acceptable Safety Profile within two years after settlement of the Transaction;
(ii) Milestone 2 – TCN-P successfully causing a Pathologic Complete Response Rate for breast cancer treatment of 50% or greater for AKTivate's breast cancer trial of at least 30 patients and with an Acceptable Safety Profile within two years after settlement of the Transaction; and
(iii) Milestone 3 – TCN-P successfully causing an Overall Response Rate for Leukaemia of 40% for AKTivate's Leukaemia trial of at least 30 patients and with an Acceptable Safety Profile within two years after settlement of the Transaction.

The Company was granted a waiver by ASX, as announced on 31 October 2014, in relation to ASX Listing Rule 10.13.3 to conditionally allow Prescient to issue the Milestone Shares outside of the period of 3 months after the date of the shareholders meeting. The meeting was held on 28 November 2014.

There were no shares issued pursuant to the ASX waiver during the financial year and the remaining 5,000,000 fully paid ordinary shares may be issued up until 28 November 2016, following satisfaction of the relevant milestone.

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2016	**2015**
	$	**$**
Trade payables	308,553	396,834
Trade and other payables	28,062	-
Other accruals	475,760	20,000
	812,375	416,834

The other accruals balance includes capital raising costs incurred during the financial year amounting to approximately $380,000.

Note 14. Current liabilities - employee benefits

	Consolidated 2016 $	Consolidated 2015 $
Annual leave	9,829	21,799

Note 15. Non-current liabilities - employee benefits

	Consolidated 2016 $	Consolidated 2015 $
Long service leave	347	2,495

Note 16. Equity - issued capital

	Consolidated			
	2016 Shares	2015 Shares	2016 $	2015 $
Ordinary shares - fully paid	194,195,519	57,248,221	54,276,559	43,994,092

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2014	920,947,371		42,496,592
Consolidation of capital (20 : 1)	5 December 2014	(874,899,155)	$0.000	-
Issue of shares for the acquisition of AKTivate (Note 3)	11 December 2014	6,700,005	$0.179	1,196,000
Issue of shares for Tranche 2 consideration for the acquisition of Pathway Oncology	22 June 2015	4,500,000	$0.067	301,500
Balance	30 June 2015	57,248,221		43,994,092
Share Purchase Plan Issue	23 November 2015	17,174,368	$0.054	927,421
Additional share placement	30 November 2015	19,319,076	$0.054	1,043,230
Share Placement - Tranche 1	20 May 2016	19,444,448	$0.090	1,750,000
Share Placement - Tranche 2	23 June 2016	58,333,336	$0.090	5,250,000
Rights Issue Shares	30 June 2016	22,676,070	$0.090	2,040,846
Costs of Capital Raising	30 June 2016	-	-	(729,030)
Balance	30 June 2016	194,195,519		54,276,559

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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 over shares
During the financial year, the Company issued 50,226,999 listed PTXO options, exercisable at $0.18 (18 cents) per option on or before 30 June 2016. These options were issued as free attaching options to capital raisings during the year.

Share buy-back
There is no current on-market share buy-back.

Note 16. Equity - issued capital (continued)

Capital risk management
The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2015 Annual Report.

Note 17. Equity - reserves

	Consolidated	
	2016	**2015**
	$	**$**
Share-based payments reserve	609,214	567,282
Unrealised foreign exchange loss	-	8,221
	609,214	575,503

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2014	515,964	-	515,964
Foreign currency translation	-	8,221	8,221
Share based payments to directors/employees	51,318	-	51,318
Balance at 30 June 2015	567,282	8,221	575,503
Foreign currency translation	-	(8,221)	(8,221)
Share based payments to directors/employees*	41,932	-	41,932
Balance at 30 June 2016	609,214	-	609,214

* The equity settled employee benefits reserves arise on issue of equity under the Share Option Plan to executives and senior employees. Amounts are transferred out of the reserves and into issued capital when the loans are repaid or the other options are exercised. Amounts are then transferred to accumulated losses when the shares or options are cancelled.

Note 18. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 19. Financial instruments

Financial risk management objectives
The Group's principal financial instruments comprise receivables, payables, cash at bank and short term deposits from time to time.

The Group manages its exposures to key financial risk, including interest rate and currencies in accordance with the Group's financial risk management policy, which requires it to undertake those actions that are necessary to reduce the Group's exposure to financial risk so as to provide reasonable assurances as to financial outcomes in respect to the transactional circumstances of each situation.

Market risk

Foreign currency risk
The Group has the following foreign currency exposures:

The Company has entered into service agreements and clinical trial agreements with companies and institutions based overseas. A significant amount of the expenditures will be subject to foreign currency exchange rates for the coming years.

As at 30 June 2016 and in the near future, the amounts that the Group may receive are not known in respect to quantum or timing. The time period between the revenue triggering event and payment to these creditors is not significant and accordingly any risk is assessed at that time.

Price risk
The Consolidated Entity is not exposed to any significant price risk.

Interest rate risk
The Group's exposure to market interest rates relate to the Group's cash at bank and on deposit. There was no bank debt or interest bearing debt during the financial year.

The Group does not enter into any interest rate swap or cap contracts.

At the balance date the Group had the following financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

Cash at bank of $9,753,646 (2015: $1,042,896).

The sensitivity of the cash at bank balance to changes in interest rate (of +/-1%) equates to +/-$97,536 (2015: +/-$10,429). The sensitivity of 1% is based on reasonable, possible changes, over a financial year, using the observed range of actual historical short term deposit rate movements and management's expectation of future movements.

Credit risk
Cash and cash equivalents
The cash and cash equivalents are held with an Australian major bank in accordance with the Board's risk policy. The Board believes the Group was not exposed to significant credit risk.

Trade and other receivable
Credit risk on trade and other receivables is limited as the Group does not have any trading activities. The receivables at 30 June 2016 related to GST, interest and Research & Development tax incentives recoverable.

Liquidity risk
The Group has historically raised capital approximately every 12-18 months. The most recent capital raisings were completed in May 2016 and June 2016.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 20. Key management personnel disclosures

Directors
The following persons were Directors of Prescient Therapeutics Limited during the financial year:

Mr Steven Yatomi-Clarke	CEO & Managing Director
Mr Steven Engle	Non-executive Chairman
Mr Paul Hopper	Executive Director
Dr James Campbell	Non-executive Director
Dr Robert Crombie	Managing Director (resigned 15 October 2015)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Professor Said Sebti	Chief Scientific Officer
Dr Terrence Chew	Chief Medical Officer
Melanie Leydin	Company Secretary

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2016	2015
	$	$
Short-term employee benefits	984,891	650,078
Post-employment benefits	31,053	31,226
Termination benefits	137,500	-
Share-based payments	27,428	51,424
	1,180,872	732,728

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Company:

	Consolidated	
	2016	2015
	$	$
Audit services - Ernst & Young		
Audit or review of the financial statements	44,000	20,000

Note 22. Contingent liabilities

There are no contingent liabilities that need disclosure in the financial statements of the Group.

Note 23. Related party transactions

Parent entity
Prescient Therapeutics Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 25.

Note 23. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the Directors' report.

Transactions with related parties
During the previous financial year, the Company entered into an Agreement to acquire AKTivate Therapeutics Pty Ltd (“AKTivate”), an entity which related party to Mr Paul Hopper ("Hopper"). The acquisition of AKTivate was a substantial asset acquisition for the Company and as a result of the related party transaction, shareholder approval was sought at the Company’s 2014 Annual General Meeting of shareholders and an Independent Expert’s Report prepared.

A total of 4,583,338 fully paid ordinary shares were issued in December 2014 to Mr Hopper and related parties in consideration for the acquisition of AKTivate Therapeutics Pty Ltd, in accordance with the shareholder approval obtained.

During the previous financial year the Company issued 4,500,000 shares to the vendors of Pathway Oncology in satisfaction of Milestone 1 of the acquisition consideration. The vendors of Pathway include Mr Paul Hopper and Mr Said Sebti. Mr Paul Hopper was not a related party at the time of the initial acquisition transaction which completed in May 2014.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 24. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2016 **$**	**2015** **$**
Loss after income tax	(1,754,142)	(2,133,375)
Total comprehensive income	(1,754,142)	(2,133,375)

Note 24. Parent entity information (continued)

Statement of financial position

	Parent 2016 $	Parent 2015 $
Total current assets	10,467,030	1,524,675
Total assets	13,835,073	4,891,569
Total current liabilities	822,204	438,633
Total liabilities	822,551	441,128
Equity		
Issued capital	54,276,559	43,994,092
Share-based payments reserve	609,214	567,282
Unrealised foreign exchange loss	-	8,221
Accumulated losses	(41,873,251)	(40,119,154)
Total equity	13,012,522	4,450,441

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2015 and 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 2015 and 2016.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 2015 and 2016.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 25. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Virax Holdings Limited	Australia	100.00%	100.00%
Virax Immunotherapeutics Pty Ltd	Australia	100.00%	100.00%
Pathway Oncology Pty Ltd	Australia	100.00%	100.00%
AKTIvate Therapeutics Pty Ltd *	Australia	100.00%	100.00%

* Acquired on 11 December 2014 following shareholder approval at the 2014 Annual General Meeting of shareholders.

Note 26. Events after the reporting period

On 12 July 2016 the Company announced it had successfully placed the shortfall shares from the recent entitlement offer raising additional gross proceeds of approximately $1.3 million. A total of 15,052,633 fully paid ordinary shares were issued pursuant to this placement along with 7,526,312 listed options on 18 July 2016. On 16 August 2016 the Company issued 1,000 fully paid ordinary shares in relation to the conversion of PTXO listed options.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 27. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2016 $	2015 $
Loss after income tax expense for the year	(1,754,142)	(2,133,375)
Adjustments for:		
Depreciation and amortisation	171	-
Share-based payments	41,932	51,318
Change in operating assets and liabilities:		
Increase in trade and other receivables	(233,086)	(300,709)
Decrease/(increase) in prepayments	1,529	(55,576)
Increase in trade and other payables	373,906	185,740
Increase in employee benefits	10,776	11,947
Net cash used in operating activities	(1,558,914)	(2,240,655)

Note 28. Earnings per share

	Consolidated	
	2016 $	2015 $
Loss after income tax attributable to the Owners of Prescient Therapeutics Limited	(1,754,142)	(2,133,375)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	82,176,659	49,836,438
Weighted average number of ordinary shares used in calculating diluted earnings per share	82,176,659	49,836,438
	Cents	**Cents**
Basic earnings per share	(2.13)	(4.28)
Diluted earnings per share	(2.13)	(4.28)

The rights to options held by option holders and the holders of performance rights have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights to options are non-dilutive as the consolidated entity is loss generating.

Note 29. Share-based payments

During the year, the company granted 300,000 options to Mr Steven Engle, 200,000 options to Mr Yatomi-Clarke and 200,000 options to Mr Campbell, following shareholder approval sought at the Company's 2015 Annual General Meeting of shareholders. On 23 November 2015, the Company also granted 200,000 unlisted options to Professor Said Sebti as an incentive.

During the year, the Company entered into an agreement with an investor relations Company to provide various investor related public relations services. As part of this agreement Prescient agreed to provide compensation to the investor relations provider in various forms including the grant of a total of 1,300,000 unlisted options. The options had various vesting conditions which had not been met at the end of the financial year. The Company terminated the agreement during June 2016.

Set out below are summaries of options granted during the current financial year:

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/11/2014	11/12/2018	$0.140	2,000,000	-	-	(1,500,000)	500,000
06/05/2015	06/05/2018	$0.092	300,000	-	-	-	300,000
04/11/2015	04/11/2018	$0.085	-	700,000	-	-	700,000
23/11/2015	20/10/2020	$0.060	-	200,000	-	-	200,000
12/10/2013	12/10/2017	$0.100	4,385,000	-	-	-	4,385,000
15/12/2015	10/12/2018	$0.100	-	1,300,000	-	(1,300,000)	-
			6,685,000	2,200,000	-	(2,800,000)	6,085,000

During the period and following resignation of Dr Robert Crombie 1,500,000 unlisted options were lapsed unexercised. Also during the period, Redchip were granted 1,300,000 options which were unexercised upon the cancellation of the contract and options on 30 June 2016.

During the previous financial period, the consolidated entity granted a total of 2,000,000 options to Mr Robert Crombie, Managing Director, following shareholder approval received at the 2014 Annual General Meeting of shareholders held on 28 November 2014. On 27 May 2015 the consolidated entity also granted 300,000 options to Mr Said Sebti (Chief Scientific Officer), a summary of the options granted are provided below:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/12/2014	11/12/2018	$0.140	-	2,000,000	-	-	2,000,000
06/05/2015	06/05/2018	$0.092	-	300,000	-	-	300,000
12/10/2013	12/10/2017	$0.005	87,700,000	-	-	(83,315,000)	4,385,000
			87,700,000	2,300,000	-	(83,315,000)	6,685,000

During the 2014 financial year options were issued to Corporate Advisors. The reduced number of options during the year is in relation to the consolidation of capital during the year.

Note 29. Share-based payments (continued)

Set out below are the options outstanding at the end of the financial year:

Grant date	Expiry date	2016 Number	2015 Number
11/12/2014	11/12/2018	500,000	2,000,000
06/05/2015	06/05/2018	300,000	300,000
12/10/2013	12/10/2017	4,385,000	4,385,000
23/11/2015	20/10/2020	200,000	-
04/11/2015	04/11/2018	700,000	-
		6,085,000	6,685,000

The weighted average share price during the financial year was $0.14.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 4 years.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.129
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.080
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.099
11/12/2014	11/12/2018	$0.140	$0.140	155.20%	-	2.59%	$0.112
06/05/2015	06/05/2018	$0.080	$0.092	131.75%	-	2.18%	$0.064
06/05/2015	06/05/2018	$0.080	$0.092	131.75%	-	2.18%	$0.064
06/05/2015	06/05/2018	$0.080	$0.092	131.75%	-	2.18%	$0.064
12/10/2013	12/10/2017	$0.000	$0.005	100.00%	-	3.16%	$0.350
04/11/2015	04/11/2018	$0.000	$0.085	96.38%	-	1.91%	$0.032
23/11/2015	20/10/2020	$0.000	$0.060	92.26%	-	2.40%	$0.053
10/12/2018	10/12/2018	$0.089	$0.100	109.62%	-	2.19%	$0.058

Prescient Therapeutics Limited
Directors' declaration
30 June 2016

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Steven Engle
Non-Executive Chairman

31 August 2016

Building a better working world

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Independent auditor's report to the members of Prescient Therapeutics Limited

Report on the financial report

We have audited the accompanying financial report of Prescient Therapeutics Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report 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 controls. 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Prescient Therapeutics Limited 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 2016 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 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 10 to 17 of the directors' report for the year ended 30 June 2016. 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 Prescient Therapeutics Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Joanne Lonergan
Partner
Melbourne
31 August 2016

Prescient Therapeutics Limited
Shareholder information
30 June 2016

The shareholder information set out below was applicable as at 19 August 2016.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of listed options
1 to 1,000	2,663	133
1,001 to 5,000	235	75
5,001 to 10,000	150	39
10,001 to 100,000	489	118
100,001 and over	239	58
	3,776	423
Holding less than a marketable parcel	2,902	257

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
UBS Nominees Pty Ltd	25,975,668	12.41
National Nomineees Ltd	22,282,733	10.65
Mrs Jaclyn Stojanovski & Mr Chris Retzos & Mrs Susie Retzos (Retzos Executive S/F A/C)	9,691,667	4.63
Armada Trading Pty Ltd Level 29	5,555,556	2.65
Mr Andrew Morrison Stewart	4,660,630	2.23
Margaret Khoo	4,444,444	2.12
Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly (Daly Family S/F A/C)	3,995,513	1.91
Mr Chris Retzos & Mrs Susie Retzos (Retzos Family S/Fund A/C)	3,833,333	1.83
Sandhurst Trustees Ltd (JMFG Consol A/C)	3,822,223	1.83
TE & J Pasias Pty Ltd	3,500,000	1.67
One Managed Investment Funds Limited (TI Growth A/C)	3,333,333	1.59
Wigtown Pty Ltd	3,009,261	1.44
Jagen Pty Ltd	2,777,779	1.33
Sam Goulopoulous Pty Ltd (S Goulopoulos F/Super A/C)	2,700,000	1.29
Kilinwata Investments Pty Ltd	2,083,334	1.00
Nutsville Pty Ltd (Indust Electric Co S/F A/C)	1,923,116	0.92
Langham Property Pty Ltd (Montagner Zembrzuski Family)	1,805,556	0.86
Deborah Anne Coleman	1,676,667	0.80
Atlantis MG Pty Ltd (MG Family Super Fund A/C)	1,500,000	0.72
Moreglade Pty Ltd	1,433,334	0.68
	110,004,147	52.56

Prescient Therapeutics Limited
Shareholder information
30 June 2016

	Options over ordinary shares Number held	Options over ordinary shares % of total options issued
UBS Nominees Pty Ltd	14,397,751	24.93
National Nominees Limited	11,118,671	19.25
Armada Trading Pty Ltd Level 29	2,777,778	4.81
Margaret Khoo	2,222,222	3.85
Mrs Jaclyn Stojanovski & Mr Chris Retzos & Mrs Susie Retzos (Retzos Executive S/F A/C)	2,099,739	3.64
Sandhurst Trustees Ltd (JMFG Consol A/C)	1,911,111	3.31
Mr Andrew Morrison Stewart	1,811,635	3.14
Wigtown Pty Limited	1,504,630	2.61
Jagen Pty Ltd	1,388,889	2.40
Mr Chris Retzos & Mrs Susie Retzos (Retzos Family S/Fund A/C)	990,741	1.72
Langham Property Pty Ltd (Montagner Zembrzuski Family)	902,779	1.56
Mr Tarecq Aldaoud	499,782	0.87
Nutsville Pty Ltd (Indust Electric S/F A/C)	477,890	0.83
Mrs Nicola Louise Samantzis	405,470	0.70
Mr Richard Thomas Hayward Daly & Mrs Sarah Kay Daly (Daly Family S/F A/C)	378,328	0.66
HSBC Custody Nominees (Australia) Limited	375,013	0.65
Mr Richard Dermott McDonald	350,000	0.61
Sam Goulopoulos Pty Ltd (S Goulopoulos F/Super A/C)	342,794	0.59
Yondro Pty Ltd (Pasias Family A/C)	327,402	0.57
Mr Peter Charles Pittar	300,000	0.52
	44,582,625	77.22

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	6,085,000	21

Substantial holders in the Company are set out below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
National Nominees Ltd ACF Australian Ethical Investment	22,222,222	10.62
Regal Funds Management Pty Limited	18,365,241	8.78
Chris Retzos	14,825,000	7.08

Voting rights
The voting rights attached to ordinary shares are set out below:

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.

Listed options

Class	Expiry date	Number of options
PTXO	30 June 2018	57,752,311