Oxford Immunotec Global PLC

FINANCIAL STATEMENTS

for the year ended

31 December 2015

Contents Pages

OXFORD IMMUNOTEC GLOBAL PLC
COMPANY INFORMATION

DIRECTORS	Mr R Andrews Jr	Appointed 4 November 2015
	Mr P J Balthrop Sr	Appointed 29 January 2016
	Ms P Randall	
	Mr H Rosenman	
	Mr R A Sandberg	
	Mr S L Spotts	
	Mr J R Tobin	
	Mr A S Walton	Appointed 4 November 2015
	Dr P J Wrighton-Smith	
SECRETARY	Ms E Keiley	
COMPANY NUMBER	08654254	
REGISTERED OFFICE	94C Innovation Drive Milton Park Abingdon Oxfordshire OX14 4RZ	
AUDITOR	Ernst & Young LLP Apex Plaza Reading Berkshire RG1 1YE	

Company Registration No: 08654254

The Directors submit this report and the Consolidated Financial Statements of Oxford Immunotec Global PLC and its subsidiaries, Oxford Immunotec Limited, Oxford Immunotec Inc., Oxford Immunotec K.K., Oxford Immunotec Asia Limited, Oxford Immunotec (Shanghai) Medical Device Co. Ltd. and Boulder Diagnostics Europe GmbH (which may be referred to as "the Group", "we", "us" or "our") for the years ended 31 December 2015 and 2014. In addition, the balance sheet for Oxford Immunotec Global PLC ("Global" or the "parent company") at 31 December 2015 and 2014.

Global is a public company limited by shares and incorporated and domiciled in the United Kingdom.

BASIS OF PRESENTATION

Our Directors have elected to prepare Consolidated Financial Statements in accordance with accounting principles generally acceptable in the United States of America ("U.S. GAAP") as permitted by Statutory Instrument 2015 No 1675, The Accounting Standards (Prescribed Bodies) (United States of America and Japan) Regulations 2015. The Directors' Report and Consolidated Financial Statements are also prepared in accordance with the Companies Act 2006.

The parent company financial statements, for the year ended 31 December 2015, are the first financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. See Note 2, FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS, of the Notes to Parent Company Accounts for more information.

PRINCIPAL ACTIVITIES

Our principal activity is the development and supply of clinical diagnostic products.

We are a global, commercial-stage diagnostics company focused on developing and commercializing proprietary tests for the management of immune-regulated conditions. Our proprietary T-SPOT® technology platform allows us to measure the responses of specific immune cells to inform the diagnosis, prognosis and monitoring of patients with immune-regulated conditions. Our current development activities are principally focused on four areas: chronic infections, transplantation, autoimmune and inflammatory disease and immune-oncology. We believe these areas are particularly attractive for the development of diagnostic tests because they involve large patient populations and chronic conditions that present the opportunity for both initial diagnosis and additional testing to monitor the conditions. These immune-regulated conditions also tend to be characterized by wide variation in presentation and progression and often require expensive therapies, making diagnostic tests that can better categorize patients and inform treatment pathways particularly useful. We believe the sensitivity of our T-SPOT technology platform, which can measure T cell and innate immune cell responses at a single cell level, well positions us to bring new insights into the diagnosis, prognosis and monitoring of immune-regulated conditions.

RESULTS AND DIVIDENDS

Our trading loss for the year was $24,478,000 (2014: $22,174,000).

Our Directors do not recommend the payment of a final dividend on the ordinary shares (2014: $nil).

SEASONALITY

Our turnover fluctuates from quarter to quarter as a result of a number of factors, many of which are outside our control. Our service turnover has historically been strong in the third quarter as a result of a concentration of testing in the United States related to college students returning to school, while the fourth quarter has historically been weaker due to the holiday periods and decreased screening activity in hospitals as they focus on other priorities. Additionally, we see fluctuation in our product turnover from quarter to quarter due to ordering patterns, particularly relating to our large distributor customers. As a result of such factors, we expect to continue to see seasonality and quarter-to-quarter variations in our turnover.

FUTURE DEVELOPMENTS

Our Directors continually evaluate the policies and strategies needed to continue our turnover growth. We expect that 2016 will show further sales growth in its existing and new markets.

POLITICAL CONTRIBUTIONS

We have not made political contributions in the period (2014: $nil).

RESEARCH AND DEVELOPMENT

Our research and development activities focus on developing and commercializing proprietary tests for the management of immune-regulated conditions. Large populations of patients have immune-regulated conditions that are often chronic conditions requiring active management through monitoring. These conditions also tend to be characterized by a wide variation in presentation and disease progression and expensive therapies. Testing that allows better categorization of patients and yields insights into the most likely successful treatment path facilitates more personalized medicine, directing therapies to patients in whom they are more likely to work and saving healthcare dollars.

Understanding immune-regulated conditions requires interrogation of the immune system. The human immune system is composed of three principal branches: innate immunity, cellular (T cell) immunity and humoral (B cell) immunity. Cellular and humoral immunity comprise the adaptive immune system. The majority of diagnostic tests available today focus only on antibody testing, which is one component of only the humoral immune system. Development of tests targeting T cells and the innate immunity system offers opportunities to aid the diagnosis, prognosis and monitoring of immune-regulated conditions. Our research and development efforts will continue to focus on utilizing our proprietary T cell and innate immunity technologies to bring new diagnostic tools to market to aid clinicians in diagnosing and managing immune-regulated conditions.

Immune-regulated conditions encompass a broad spectrum. We are focused on four principal areas: chronic infections, transplantation, autoimmune and inflammatory disease and immune-oncology.

● Chronic infections where progression is dictated by the strength of the patient's immune system are often called latent or opportunistic infections. Examples are infections such as tuberculosis (TB) and cytomegalovirus (CMV), which are carried for long periods of time but may reactivate into disease at any point when the immune system is no longer keeping the infection under control. Persons with weakened immunity – including human immunodeficiency virus (HIV) patients, transplant recipients, and users of biologic therapies – are at particular risk.

● In transplantation, the success of the transplant depends on the accommodation of the donor organ by the host immune system. Extensive immune suppression accomplishes this goal but requires careful modulation to balance the considerable side-effects of immune suppression with rejection risk. Given the high demand for donor organs, strategies to maximize graft survival and to predict rejection events are necessary to improve patient care.

● Autoimmune and inflammatory diseases affect approximately 10% of Americans and include rheumatoid arthritis, systemic lupus erythematosus and Crohn's disease. These conditions present in wide variation and take multiple progression pathways. Tools that can better categorize patients and allow practitioners to tailor therapies to meet the individual needs of patients may improve the quality of care while simultaneously reducing healthcare costs.

● Cancer is at a simplistic level an immunological disease. The patient's T cells either do not recognize the tumor as foreign or the tumor successfully down-regulates the T cells. New immune-oncology cancer therapies focus on increasing the efficacy of the body's own immune system to fight the tumor. We believe that diagnostic tools that measure the status of the anti-tumor immune response have the potential to guide therapeutic drug development as well as inform treatment decisions.

Our research and development expenses were $11.0 million, (2014: $7.0 million), and we employ research and development staff of 51 (2014: 40). In the opinion of our Directors, continuity of investment in this area is important for the maintenance of the Group's market position and for future growth.

EVENTS SINCE THE END OF THE YEAR

Effective 4 March 2016, the Remuneration Committee of the Board of Directors approved grants to employees for up to 607,716 share options and 108,361 restricted share units from the Oxford Immunotec Global PLC 2013 Share Incentive Plan. These grants were issued to employees in the first quarter of 2016.

FINANCIAL INSTRUMENTS

Please refer to the **Risks in relation to the use of financial instruments** section included in our Strategic Report, beginning on page 16 of this document.

GREENHOUSE GAS REPORT

Please refer to the section of the same name included in our Strategic Report beginning on page 19 of this document.

STRUCTURE OF THE GROUP'S CAPITAL

See Note 18 of the Notes to the Consolidated Financial Statements.

DIRECTORS

Our Board of Directors is divided into the three classes. Each class has a three-year term. At each annual general meeting of shareholders, directors whose terms will then expire (or their successors, if such directors are not nominated for re-election) will stand for election by the shareholders to serve for a three year term.

The following Directors have held office since the dates indicated below.

Mr R Andrews Jr	(Appointed 4 November 2015)
Mr P J Balthrop Sr	(Appointed 29 January 2016)
Dr N A Pitchford	(Appointed 22 August 2013 and term expired 9 June 2015)
Ms P Randall	(Elected 12 June 2014)
Mr H Rosenman	(Appointed 30 October 2013 and re-elected 12 June 2014)
Mr R A Sandberg	(Appointed 16 August 2013)
Mr S L Spotts	(Appointed 22 August 2013 and re-elected 9 June 2015)
Mr J R Tobin	(Appointed 1 December 2014 and re-elected 9 June 2015)
Mr A S Walton	(Appointed 4 November 2015)
Dr P J Wrighton-Smith	(Appointed 16 August 2013)

In 2015, our Board of Directors met 10 times. All of our directors attended a minimum of 75% of the meetings of our Board of Directors and its committees during their membership on the board. Our directors are strongly encouraged to attend our annual general meetings of shareholders.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS AND CHANGE IN CONTROL PROVISIONS

A qualifying third party indemnity provision is in place for the benefit of each of our Directors. Dr Wrighton-Smith's share option awards include a "double trigger" to accelerate vesting upon a change in control and the termination of his employment with us. A change in control event will be deemed to occur upon the purchase of substantially all of our outstanding shares by, or the sale of substantially all of our assets to, a third party.

GOING CONCERN

Our business activities, together with the factors likely to affect our future development, performance and position are set out in the Strategic Report on pages 5 to 21.

In determining whether our financial statements can be prepared on a going concern basis, our Directors considered the Group's business activities, together with the factors likely to affect our future development and performance. The review also included our financial position and cash flows. The key factors considered by the Directors were:

- the strength of our balance sheet, including cash raised by our initial public offering, or IPO, and in the Offering that closed on 4 February 2015 (see Sources of funds in the Strategic Report);
- the implications of the economic environment and potential future uncertainties on the Group's turnover and profits;
- the impact of the competitive environment within which we operate; and
- the potential actions that could be taken in the event that turnover is worse than expected to limit the impact on our results of operations and cash flows.

As of the date of this report, our Directors have a reasonable expectation that we have adequate resources to continue in business for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

AUDITOR

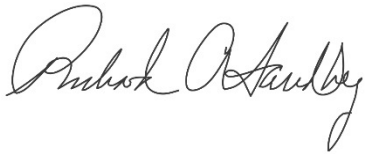
A resolution to reappoint Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Directors have confirmed that they have taken all necessary steps in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

The Directors' Report was approved by the Board on 13 May 2016.

On behalf of the board



Richard A Sandberg
Chairman
13 May 2016

INTRODUCTION

Oxford Immunotec Global PLC was incorporated on 16 August 2013. Oxford Immunotec Global PLC on behalf of itself and its subsidiaries, Oxford Immunotec Limited, Oxford Immunotec Inc., Oxford Immunotec K.K., Oxford Immunotec Asia Limited, Oxford Immunotec (Shanghai) Medical Device Co. Ltd. and Boulder Diagnostics Europe GmbH (which may be referred to as "the Group", "we", "us" or "our") is required to produce a strategic report complying with the requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014 (the "Regulations").

We are a global, commercial-stage diagnostics company focused on developing and commercializing proprietary tests for the management of immune-regulated conditions. Our proprietary T-SPOT®[1] technology platform allows us to measure the responses of specific immune cells to inform the diagnosis, prognosis and monitoring of patients with immune-regulated conditions. Our current development activities are principally focused on four areas: chronic infections, transplantation, autoimmune and inflammatory disease and immune-oncology. We believe these areas are particularly attractive for the development of diagnostic tests because they involve large patient populations and chronic conditions that present the opportunity for both initial diagnosis and additional testing to monitor the conditions. These immune-regulated conditions also tend to be characterized by wide variation in presentation and progression and often require expensive therapies, making diagnostic tests that can better categorize patients and inform treatment pathways particularly useful. We believe the sensitivity of our T-SPOT technology platform, which can measure T cell and innate immune cell responses at a single cell level well position us to bring new insights into the diagnosis, prognosis and monitoring of immune-regulated conditions.

We believe the annual global market opportunity for our T-SPOT.*TB* test is well in excess of $1 billion, assuming we can largely displace the Tuberculin skin test, or TST, in the developed world. We believe the global market opportunity for our products directed to transplantation and autoimmune-inflammatory disease to be in excess of $2 billion, although our market sizing estimates remain preliminary. We have not yet sized the market opportunity for our technology in immune-oncology given the early stage of this program.

We are a global business with 278 employees, including sales and marketing teams on three continents, and laboratories in the United States and the United Kingdom. In 2015, we sold to customers in about 50 countries and derived 50% of our revenue from outside the United States. Our current customer base includes more than 2,000 active customers, consisting of hospitals, public health departments, commercial testing laboratories, importers and distributors.

REVIEW OF THE BUSINESS

Overview

The initial product we have developed using our T-SPOT technology platform is our T-SPOT.*TB* test, which is used to test for tuberculosis, or TB, infection. Our T-SPOT.*TB* test has been approved for sale in over 50 countries, including the United States, where we have received premarket approval, or PMA, from the Food and Drug Administration, or FDA, in Europe, where we have obtained a CE mark, as well as in Japan and China. Interferon-gamma release assays, or IGRAs, such as our T-SPOT.*TB* test have been included in clinical guidelines for TB testing in at least 34 countries, including the United States, several European countries and Japan. In addition, we have established reimbursement for our test in the United States, as well as a Current Procedural Terminology, or CPT[2], code that is unique to our test. Outside the United States, we have established reimbursement in several countries where reimbursement applies, including Japan, Switzerland and Germany. We have also established the cost-effectiveness of our test in several published studies.

---

[1] "T-SPOT®," "T-Cell *Xtend*®," "Oxford Diagnostic Laboratories®," "ODL®," "SpiroFind®", the Oxford Immunotec logo, our laboratory logo and other marks are our trademarks. Solely for convenience, trademarks and trade names referred to in this Annual Report, including logos, artwork and other visual displays, may appear without the ® or ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

[2] CPT is a registered trademark of the American Medical Association.

In 2015, we announced the availability of two additional tests using the T-SPOT technology platform. The T-SPOT.*CMV* test, which is used to test for cytomegalovirus infection, or CMV, and the T-SPOT.*PRT* test, which is a panel of reactive T cells, became available in the United States as laboratory developed tests from the Group's Clinical Laboratory Improvements Amendment, or CLIA, certified and College of American Pathologists, or CAP, accredited service laboratory in the first and fourth quarters of 2015, respectively. The T-SPOT.*CMV* and T-SPOT.*PRT* tests were CE marked in the European Union during the second and fourth quarters of 2015, respectively. The T-SPOT.*CMV* test measures the strength of a patient's cellular immune response to CMV specific antigens and provides information that may be useful in informing management strategies of patients at risk of CMV infection and disease, such as transplant patients. The T-SPOT.*PRT* test assesses a solid organ transplant candidate's T cell response to foreign tissue, or alloreactivity, and may help clinicians identify patients at increased risk of T cell mediated rejection post-transplant. While we are enthusiastic about the potential utility that the T-SPOT.*CMV* and T-SPOT.*PRT* tests may provide in transplant medicine, we are taking a measured approach to market introduction as we await the results of two pivotal clinical studies. Essentially no revenue was earned on the T-SPOT.*CMV* and T-SPOT.*PRT* tests in 2015.

We also have several active development programs pertaining to new potential tests. The programs seek to exploit our T cell and innate immune measuring technology and span each of our four focus areas. Our development pipeline includes an assay to assess the overall competence of the T cell side of the immune system, products targeting autoimmune and inflammatory diseases, such as gout and Lyme disease, and an assay informing the efficacy of biologic therapies. We also continue to explore applications of our T-SPOT technology platform in the immune-oncology space. These products are in earlier stages of development. Product development activities are inherently uncertain, and there can be no assurance that we will be able to obtain regulatory body clearance to market any of our products, or if we obtain clearances that we will successfully commercialize any of our products. In addition, we may terminate our development efforts with respect to one or more of our products under development at any time, including before or during clinical trials.

We have incurred significant losses from inception and as of 31 December 2015 had an accumulated deficit of $146.3 million. We anticipate that our operating losses will continue for the next few years as we continue to invest to grow our customer base and invest in research and development to expand our product portfolio. Our turnover for the year ended 31 December 2015 was $62.8 million and for the year ended 31 December 2014 was $49.5 million. Our net loss for the year ended 31 December 2015 was $24.5 million and for the year ended 31 December 2014 was $22.2 million.

DEVELOPMENT AND PERFORMANCE DURING THE YEAR

Turnover

We generate essentially all of our turnover from sales associated with our T-SPOT technology platform via our direct sales force and also through distributors. Our T-SPOT.*TB* test is our first commercialized product based on this technology.

Turnover mix

We currently offer our T-SPOT.*TB* test as both an *in vitro* diagnostic kit and a service. In the former, we sell test kits and associated accessories to distributors for resale and directly to institutions and laboratories that perform TB testing. In the latter, we have established clinical testing laboratories in the United States and the United Kingdom, where we perform our T-SPOT.*TB* test on samples sent to us by customers. In these markets, we have found that many customers prefer to send samples to us rather than perform their own analysis on-site.

Our U.S. business derived 96% of turnover from our service offering for each of the years ended 31 December 2015 and 2014, which reflects our experience that U.S. customers prefer to send IGRA tests out for processing and analysis rather than run them in-house. For the majority of our U.S. customers in the hospital and public health segments, TB testing programs are funded primarily from institutional budgets. We receive payment from these customers according to our pre-negotiated prices. For other segments of the U.S. market, notably, for example, the physicians' office segment, third-party reimbursement is often available to cover the cost of our T-SPOT.*TB* test.

Outside the United States, we derived 92% and 91% of our turnover from the sale of our *in vitro* diagnostic kits and associated accessories for the years ended 31 December 2015 and 2014, respectively. For the majority of our customers outside the United States, we primarily negotiate pricing directly with our customers; our prices are influenced to some degree by the mechanism and level of funding our customers receive for performing tests for TB infection.

	Year ended 31 December	
	2015	2014
	$000s	$000s
Turnover		
Product	30,207	25,407
Service	32,575	24,098
Total turnover	62,782	49,505

Turnover by geography

We have a direct sales force in the United States, certain European countries and Japan and market development personnel in China. During the third quarter of 2015, we modified the pricing aspects of our arrangement with our Japanese wholesaler and, as a result, price is now determinable upon shipment. Previously, price was determinable when the wholesaler dispatched the product. In parts of the world where we do not maintain a direct sales force, we market and sell our products through distributors. As a result, our revenue is denominated in multiple currencies. We intend to expand our sales force globally and establish additional distributor relationships outside of our direct markets to better access international markets.

The following table reflects product revenue by geography (United States, Europe and rest of world, or ROW, and Asia) and as a percentage of total product revenue, based on the billing address of our customers.

	Year ended 31 December			
	2015		2014	
	$000s	%	$000s	%
Turnover				
United States	31,362	50%	22,537	46%
Europe & ROW	7,067	11%	7,219	14%
Asia	24,353	39%	19,749	40%
Total turnover	62,782	100%	49,505	100%

In 2014, we created new subsidiaries in Hong Kong and Shanghai, China, further expanding our presence in Asia. Diagnostic products such as ours are subject to periodic re-registration in China. We completed the re-registration process for our T-SPOT.*TB* test with the China Food and Drug Administration, or CFDA, effective 11 December 2014. The registration will remain in effect until 2019.

Our turnover is denominated in multiple currencies. Sales in the United States and China are denominated in U.S. Dollars. Sales in Europe & ROW are denominated primarily in Pounds Sterling and Euros. Sales in Japan are denominated in Yen. Our expenses are generally denominated in the currencies in which our operations are located, which are primarily in the United States, the United Kingdom, Japan, Europe and China. We operate globally and therefore changes in foreign currency exchange rates may become material to us in the future due to factors beyond our control.

Cost of sales and operating expenses

Cost of sales and gross margin

Cost of sales consists of direct labour expenses, including employee benefits and share-based remuneration expenses, overhead expenses, material costs, cost of laboratory supplies, freight costs, royalties paid under license agreements, U.S. medical device excise tax and depreciation of laboratory equipment and leasehold improvements. During the years ended 31 December 2015 and 2014, our cost of sales represented 47% and 48%, respectively, of our total turnover.

	Year ended 31 December	
	2015	2014
	$000s	$000s
Cost of sales		
Product	13,297	11,225
Service	16,247	12,784
Total cost of sales	29,544	24,009

Our gross profit represents total turnover less the cost of sales, and gross margin is gross profit expressed as a percentage of total turnover. Our gross margins were 53% and 52% for the years ended 31 December 2015 and 2014, respectively. We expect our overall cost of sales to increase in absolute U.S. Dollars as we continue to increase our volume of kits manufactured and tests performed. However, we also believe that we can achieve certain efficiencies in our manufacturing and laboratory operations, through these increased volumes that could help maintain or improve our overall margins.

With respect to the following discussion of expenses, sales and marketing expenses is simply another name for distribution costs. Administrative expenses include both research and development and general and administrative expenses. One of the drivers of increased expenses in 2015 was share-based compensation, which increased to $3.5 million in 2015 from $2.5 million in 2014.

Research and development expenses

Our research and development efforts have historically focused on developing multiple new diagnostic tests that use our quantitative T cell measurement technology, including assays that would help transplant physicians better manage patients at risk of rejection and infection. We have expanded our research and development efforts since our initial public offering, or IPO, in November 2013 and, with the Boulder Diagnostics, Inc., or Boulder, acquisition in July 2014, we have expanded our research and development efforts to include the development of immunology-based assays for autoimmune and inflammatory conditions/diseases.

Our research and development activities include performing research, development, clinical and regulatory activities and validating improvements to our technology and processes for the purposes of enhancing product performance. Research and development expenses include personnel-related expenses, including share-based compensation, fees for contractual and consulting services, clinical trial costs, travel costs, laboratory supplies, amortisation, depreciation, rent, insurance and repairs and maintenance. We have supported the continued growth of our T-SPOT.*TB* business and expanded the team focused on the development of new products through management of clinical trial programs. In addition, we are expanding our research and development efforts in the United Kingdom and in Memphis, Tennessee. We expense all research and development costs as incurred.

Research and development expenses increased in 2015 primarily due to clinical trials, including the PROTECT clinical trial, which is a pivotal clinical trial designed to demonstrate the clinical value of our T-SPOT.*CMV* and T-SPOT.*PRT* tests, and the REACT clinical trial, which focuses on the clinical value of our T-SPOT.*CMV* test for stem cell transplant patients. The increases also include development project expenses related to our transplant program, the hiring of personnel in the United States to support development programs and projects acquired in the Boulder acquisition. During the third quarter of 2015, the timeline for the development of an assay to inform decisions regarding biologic therapies that was acquired as part of the Boulder acquisition was changed due to delays in the completion of research studies. Based upon the changed timeline and

the resulting impact on fair value, we recorded a non-cash in-process research and development, or IPR&D, impairment charge of $385,000 in research and development expense.

Sales and marketing expenses

Our sales and marketing expenses include costs associated with our sales organization, including our direct sales force and sales management, and our marketing, customer service and business development personnel. These expenses consist principally of salaries, commissions, bonuses and employee benefits for these personnel, including share-based compensation, as well as travel costs related to sales, marketing, customer service activities, medical education activities and overhead expenses. We expense all sales and marketing costs as incurred.

We continue to expand our operations in Asia. During 2014, we established two new subsidiaries in Asia: Oxford Immunotec Asia Limited, located in Hong Kong, and Oxford Immunotec (Shanghai) Medical Device Co. Ltd., located in Shanghai.

We expect our sales and marketing costs to increase, as we expand our sales force, business development activities, geographic presence and marketing and medical education programs to increase awareness and adoption of our current T-SPOT.*TB* test and future products.

General and administrative expenses

Our general and administrative expenses include costs for our executive, accounting and finance, legal, information technology, or IT, and human resources functions. These expenses consist principally of salaries, bonuses and employee benefits for the personnel included in these functions, including share-based compensation and travel costs, professional services fees, such as consulting, audit, tax and legal fees, costs related to our Board of Directors, general corporate costs, overhead expenses and bad debt expense. We expense all general and administrative expenses as incurred.

Our general and administrative expenses have increased primarily due to higher salary costs, partially offset by lower legal costs.

Other operating income (expense)

Other operating income (expense) includes interest expense, net, foreign exchange losses, and other income and expense items.

Monetary assets and liabilities that are denominated in foreign currencies are remeasured at the period-end closing rate with resulting unrealized exchange fluctuations. Realized exchange fluctuations result from the settlement of transactions in currencies other than the functional currencies of our businesses. The functional currencies of our businesses are U.S. Dollars, Pounds Sterling, Euros, Yen and the Yuan, depending on the entity.

Results of operations

Comparison of years ended 31 December 2015 and 2014

The following table sets forth, for the periods indicated, the amounts of certain components of our Consolidated Income Statement and the percentage of total turnover represented by these items, showing period-to-period changes:

	Year ended 31 December					
	2015		2014		Change	
	Amount $000s	% of turnover	Amount $000s	% of turnover	Amount $000s	%
Turnover						
Product	30,207	48%	25,407	51%	4,800	19%
Service	32,575	52%	24,098	49%	8,477	35%
Turnover	62,782	100%	49,505	100%	13,277	27%
Cost of sales						
Product	13,297	21%	11,225	23%	2,072	18%
Service	16,247	26%	12,784	26%	3,463	27%
Cost of sales	29,544	47%	24,009	48%	5,535	23%
GROSS PROFIT	33,238	53%	25,496	52%	7,742	30%
Distribution costs	30,402	48%	25,487	51%	4,915	19%
Administrative expenses	27,092	43%	21,947	44%	5,145	23%
Other operating income	(166)	N/A	(245)	N/A	79	(32)%
Operating expenses	57,328	91%	47,189	95%	10,139	21%
OPERATING LOSS	(24,090)	(38)%	(21,693)	(44)%	(2,397)	11%
Finance costs	(242)	N/A	(327)	(1)%	85	(26)%
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(24,332)	(39)%	(22,020)	(44)%	(2,312)	10%
Taxation	(146)	N/A	(154)	N/A	8	(5)%
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	(24,478)	(39)%	(22,174)	(45)%	(2,304)	10%

Turnover

Turnover increased by 27% to $62.8 million for the year ended 31 December 2015 compared to $49.5 million for the same period in 2014. This increase in turnover was due to an increase in volumes across all regions where we sell our T-SPOT.*TB* test. U.S. revenue grew by 39%, to $31.4 million for the year ended 31 December 2015, compared to the same period in 2014, driven by growth of $5.4 million from the addition of new customers and $3.4 million from existing customers. Asia revenue grew by 23%, to $24.4 million, compared to the same period in 2014, due primarily to higher revenue in Japan and China. On a constant currency basis, revenue for Asia would have increased by 33%. Europe & ROW revenue decreased by 2%, to $7.1 million, compared to the same period in 2014, due primarily to changes in currency rates. On a constant currency basis, Europe & ROW revenue would have increased by 10% in 2015 compared to 2014.

	Year ended 31 December		Change	
	2015	2014	Amount	%
	$000s	$000s	$000s	
Turnover				
Product	30,207	25,407	4,800	19%
Service	32,575	24,098	8,477	35%
Total turnover	62,782	49,505	13,277	27%

	Year ended 31 December		Change	
	2015	2014	Amount	%
	$000s	$000s	$000s	
Turnover				
United States	31,362	22,537	8,825	39 %
Europe & ROW	7,067	7,219	(152)	(2)%
Asia	24,353	19,749	4,604	23 %
Total turnover	62,782	49,505	13,277	27 %

Cost of sales and gross margin

Cost of revenue increased by 23% to $29.5 million for the year ended 31 December 2015 from $24.0 million in the same period of 2014. This increase in cost of revenue was due to the increased volume of kits sold and an increase in volume of tests performed by our laboratories in the United States and the United Kingdom. Gross margin for 2015 increased to 52.9% from 51.5% for 2014. The gross margin improvement was attributable to a reduction in material costs per test and efficiency from increased volume in our manufacturing operations and service laboratories, partially offset by the impact of foreign currency exchange rate changes and increased share-based compensation expense in 2015 compared to 2014.

	Year ended 31 December		Change	
	2015	2014	Amount	%
	$000s	$000s	$000s	
Cost of sales				
Product	13,297	11,225	2,072	18%
Service	16,247	12,784	3,463	27%
Total cost of sales	29,544	24,009	5,535	23%

Distribution costs

Distribution costs, or sales and marketing expenses, increased 19% to $30.4 million for the year ended 31 December 2015 from $25.5 million for the same period in 2014. The increase reflects additional sales, marketing, and customer service personnel and the expansion of marketing programs. Salary costs increased $5.3 million in 2015 compared to 2014. In addition, travel costs increased $442,000, and symposia costs increased $309,000. These increases were partially offset by an $815,000 decrease in market research costs, reflecting one-time market research studies completed in 2014, and a $624,000

decrease in recruiting and hiring costs. As a percentage of total revenue, sales and marketing expenses decreased to 48% for the year ended December 31, 2015 from 51% for the same period in 2014.

Administrative expenses

Administrative expenses include both research and development and general and administrative expenses.

Research and development expenses increased by 56% to $11.0 million for the year ended December 31, 2015 from $7.0 million for the same period in 2014. This increase reflects the fact that in 2014 we were just beginning to ramp-up our research and development activities following completion of our IPO in late 2013. The increased spending has primarily related to development project expenses for our transplant program and to the hiring of personnel in the United States to support development programs. In addition, with the acquisition of Boulder in the third quarter of 2014, we have expanded our research efforts to include assays for Lyme disease and gout.

Salary costs increased $2.1 million in 2015 compared to 2014 due to the expansion of our research and development teams, and the cost of clinical studies increased $1.1 million. In addition, during the third quarter of 2015, we recorded a non-cash IPR&D impairment charge of $385,000 related to the Boulder acquisition in research and development expense. As a percentage of total revenue, research and development expenses increased to 18% for the year ended December 31, 2015 from 14% for the same period in 2014.

General and administrative expenses increased by 8% to $16.0 million for the year ended 31 December 2015 from $14.8 million for the same period in 2014. The increase included increases of $1.5 million in salary costs, $157,000 for recruiting and hiring costs, $109,000 for administrative expenses and $90,000 in depreciation and amortisation, partially offset by a $754,000 decrease in legal and professional fees in 2015 compared to 2014. As a percentage of total revenue, general and administrative expenses decreased to 26% for the year ended 31 December 2015 from 30% for the same period in 2014.

Finance costs

Finance costs was $0.2 million for the year ended 31 December 2015 as compared to $0.3 million for the same period in 2014. The expense in both years consisted mainly of foreign exchange losses.

POSITION OF GROUP AT THE YEAR END

Liquidity and capital resources

Sources of funds

Since our inception, we have incurred significant net losses and negative cash flows from operations. For the year ended 31 December 2015 we had a net loss of $24.5 million and used $16.5 million of cash for operating activities. As of 31 December 2015, we had an accumulated deficit of $146.3 million. We incurred a net loss of $22.2 million and used $20.8 million of cash for operating activities for the year ended 31 December 2014.

On 29 January 2015, we entered into an Underwriting Agreement with a group of Underwriters, relating to an Offering of 4,255,319 ordinary shares, nominal value £0.006705, at an Offering Price to the public of $11.75 per Share. The Underwriters agreed to purchase the Shares from us pursuant to the Underwriting Agreement at a price of $11.045 per share. Under the terms of the Underwriting Agreement, we granted the Underwriters a 30-day option to purchase up to an additional 638,297 Option Shares at the Offering Price, less underwriting discounts and commissions. On 30 January 2015, the Underwriters exercised their option to purchase the Option Shares in full. The gross proceeds to us from the sale of the Shares and the Option Shares were approximately $57.5 million and we received net proceeds of approximately $53.8 million after deducting underwriting discounts and commissions and estimated aggregate offering expenses payable by us. The Offering closed on 4 February 2015.

As of 31 December 2015, we had cash at bank and in hand of $83.8 million, which includes restricted cash of $80,000.

Subsequent events

Effective 4 March 2016, the Remuneration Committee of the Board of Directors approved grants to employees for up to 607,716 share options and 108,361 restricted share units from the Oxford Immunotec Global PLC 2013 Share Incentive Plan. These grants were issued to employees in the first quarter of 2016.

Summary of cash flows

Cash flows for the years ended 31 December 2015 and 2014

Operating activities

Net cash used in operating activities was $16.5 million during the year ended 31 December 2015, which included a net loss of $24.5 million, non-cash items of $6.3 million and cash provided by changes in operating assets less liabilities of $1.6 million. The non-cash items consisted of share-based compensation expense of $3.5 million, depreciation and amortisation expense of $2.1 million, intangible assets impairment charges of $0.4 million, consisting largely of an IPR&D impairment charge related to the Boulder acquisition, a $0.2 million expense from the change in fair value of contingent purchase price consideration and a $33,000 loss on disposal of property and equipment. The cash provided by changes in operating assets and liabilities included an increase in trade creditors and accrued liabilities of $4.1 million, partially offset by increases in prepaid expenses and other assets, inventory and trade debtors of $0.9 million, $0.9 million and $0.4 million, respectively, as well as a decrease in deferred income of $0.3 million. The increase in trade creditors and accrued liabilities was largely due to the timing of payments. The increase in prepaid expenses and other assets reflected the timing of certain payments and stock increased in anticipation of growing turnover. The increase in trade debtors primarily reflected increased turnover during the year ended 31 December 2015, as well as the timing of receipts. The decrease in deferred income primarily related to a change in the process used to determine pricing for certain sales to customers in Japan that has resulted in those sales being recorded upon shipment.

Net cash used in operating activities was $20.8 million during the year ended 31 December 2014, which included a net loss of $22.2 million, non-cash items of $4.3 million, and a net increase in operating assets less liabilities of $2.9 million. The non-cash items consisted of share-based compensation expense of $2.5 million, depreciation and amortisation expense of $1.7 million, and a $22,000 loss on the change in fair value of warrants. We had a net cash outflow of $2.9 million from changes in operating assets and liabilities during the period. The changes in operating assets and liabilities included an increase in trade debtors of $2.3 million, an increase in stock of $1.2 million, and an increase in prepaid expenses and other assets of $0.6 million, partially offset by an increase in trade creditors and accrued liabilities of $0.7 million, and an increase in deferred income of $0.6 million. The increase in trade debtors primarily reflects increased turnover during the year ended 31 December 2014, as well as the timing of receipts. Stock has been increasing in anticipation of growing turnover and the increase in prepaid expenses and other assets reflects the timing of certain payments. The increase in trade creditors and accrued liabilities was largely due to the timing of payments. The increase in deferred income relates to the growth in sales to our Japanese wholesaler.

Investing activities

Net cash used in investing activities was $3.1 million and $5.0 million for the years ended 31 December 2015 and 2014, respectively. The cash used in 2015 consisted largely of $3.4 million used for purchases of property and equipment, partially offset by a $0.3 million decrease in restricted cash. The cash used in 2014 consisted largely of $3.0 million used for purchases of property and equipment and $1.7 million used in the acquisition of Boulder, net of cash acquired.

Financing activities

Net cash provided by financing activities was $53.7 million during the year ended 31 December 2015 due mainly to net proceeds of approximately $53.8 million received in the offering that closed on February 4, 2015.

Net cash used in financing activities was $151,000 during the year ended 31 December 2014.

Operating and capital expenditure requirements

We have not achieved profitability on a quarterly or annual basis since our inception and we expect to incur net losses in the future. We expect that our operating expenses will increase as we continue to invest to grow our customer base, expand our marketing and distribution channels, hire additional employees and increase product development expenditures. Additionally, as a public company, we incur significant audit, legal and other expenses. We believe that our existing capital resources will be sufficient to fund our operations for the next few years.

Our future capital requirements will depend on many factors, including:

- our ability to continue to penetrate our existing market and new markets in the United States;
- the costs and timing of further expansion of our sales and marketing efforts;
- our ability to penetrate existing markets outside the United States and enter and develop new geographies;
- the progress that we make in developing new products based on our technology platform;
- the percentage of sales that are reimbursed by payors and our ability to collect our trade debtors;
- our ability to generate cash from operations; and
- the acquisition of businesses or technologies that we may undertake.

KEY PERFORMANCE INDICATORS

The Group's key financial and other performance indicators during the year were as follows:

	2015	2014	Change %
	$000s	$000s	
Turnover	62,782	49,505	27%
Operating loss	(24,090)	(21,693)	11%
Adjusted EBITDA	(18,167)	(17,664)	3%
Number of employees	278	240	16%

We believe that Adjusted EBITDA provides useful information to investors in understanding and evaluating our operating results in the same manner as our management and Board of Directors. Our presentation of Adjusted EBITDA may vary from others in the industry. Our use of Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results of operations. For example, Adjusted EBITDA does not reflect the impact of earnings or charges resulting from matters that we consider not to be indicative of our ongoing operations. Following is a reconciliation from net loss to Adjusted EBITDA:

	Year ended 31 December	
(in thousands)	**2015**	**2014**
Net loss	$ (24,478)	$ (22,174)
Taxation expense	146	154
Bank interest	67	52
Depreciation and amortisation	2,142	1,742
EBITDA	(22,123)	(20,226)
Reconciling items:		
Share-based remuneration expense	3,485	2,521
Unrealized exchange (gains) losses	(150)	(53)
Loss on change in fair value of warrants	—	22
Change in fair value of contingent purchase price consideration	202	72
Intangible assets impairment charge	419	—
Adjusted EBITDA	$ (18,167)	$ (17,664)

Turnover increased by 27% in the year reflecting an increase in volumes across all the regions where we sell our test. U.S. turnover grew by 39%, to $31.4 million for the year ended 31 December 2015, compared to the same period in 2014, driven by growth of $5.4 million from the addition of new customers and $3.4 million from existing customers. Asia turnover grew by 23%, to $24.4 million, compared to the same period in 2014, due primarily to higher revenue in Japan and China. On a constant currency basis, turnover for Asia would have increased by 33%. Europe & ROW turnover decreased by 2%, to $7.1 million, compared to the same period in 2014, due primarily to changes in currency rates. On a constant currency basis, Europe & ROW turnover would have increased by 10% in 2015 compared to 2014.

Operating loss for 2015 increased by 11% compared to 2014 and loss from Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) for 2015 increased by 3% compared to 2014. See the discussion under "Results of operations" on pages 10 through 12 of this Strategic Report regarding the main drivers to the increases in operating loss and Adjusted EBITDA for 2015 compared to 2014.

The number of employees at 31 December 2015 has increased by 16% over the number of employees at 31 December 2014 due to the growth in our operations.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial

We have a history of losses and anticipate that we will incur continued losses for at least the next few years. We cannot be certain that we will achieve or sustain profitability.

Commercialisation

From a turnover generation perspective, we are essentially a single-product company that is heavily dependent on the successful further commercialisation of our T-SPOT.*TB* test and, if we encounter delays or difficulties in the further commercialisation of this product, our business could be harmed. Further, our success depends on continued demand for diagnostic products for tuberculosis. Tuberculosis screening policies could change such that tests are conducted less frequently or in fewer instances. If there are widespread testing policy changes that substantially reduce testing in the markets we serve, our business could be materially and adversely affected.

Sales and Distribution

We face significant challenges and risks in managing our geographically dispersed sales and distribution network and retaining the individuals who make up that network. If a substantial number of our direct sales representatives were to leave us within a short period of time, or if a substantial number of our independent distributors were to cease to do business with us within a short period of time, our sales could be adversely affected.

Customers

Certain of our customers account for a significant portion of our turnover. In the event that any significant customer substantially reduces its purchases of our products, our results of operations could be materially and adversely affected.

Reimbursement and billing

Billing complexities associated with obtaining payment or reimbursement for our tests may negatively affect our turnover, cash flow and profitability. Health insurers and other payors may decide not to cover, or may discontinue reimbursing, our T-SPOT.*TB* test or any other diagnostic tests we may develop in the future, or may provide inadequate reimbursement, which could jeopardize our ability to expand our business.

Suppliers

We depend upon a limited number of suppliers, and certain components of our product may only be available from a sole source or limited number of suppliers. Even if the key components that we source are available from other parties, the time and effort involved in obtaining any necessary regulatory approvals for substitutes could impede our ability to replace such components timely or at all. The loss of a sole or key supplier would impair our ability to deliver products to our customers in a timely manner, adversely affect our sales and operating results and negatively impact our reputation.

Facilities

We currently perform our tests for our service offering exclusively in one laboratory in the United States and one laboratory in the United Kingdom. If these or any future facilities or our equipment were damaged or destroyed, or if we experience a significant disruption in our operations for any reason, our ability to continue to operate our business could be materially harmed. We maintain insurance coverage against damage to our property and equipment and business interruption and research and development restoration expenses to manage this risk.

Regulatory

Our T-SPOT.*TB* test is, and any new product candidates will be, subject to extensive government regulations related to development, testing, manufacturing and commercialisation in the United States and other countries before we can sell in these markets. The process of obtaining and complying with governmental regulatory approvals and regulations is costly, time consuming, uncertain and subject to unanticipated delays.

In addition, some international jurisdictions, such as China, require periodic recertification. Even if we obtain initial certifications from regulatory bodies, we may lose certification after a periodic review. Failure to maintain requisite certifications from regulatory bodies would adversely affect our ability to generate future turnover and operating income.

If we are unable to comply with the requirements of the CLIA and state laws governing clinical laboratories or if we are required to expend significant additional resources to comply with these requirements, the success of our business could be threatened.

Intellectual property

In developing, manufacturing and using our T-SPOT.*TB* test, we employ a variety of proprietary and patented technologies, including technologies we license from third parties. We have licensed, and expect to continue to license, various other technologies and methods. We cannot provide any assurance that the intellectual property rights that we own or license provide protection from competitive threats or that we would prevail in any challenge mounted to our intellectual property rights. In addition, we cannot provide any assurances that we will be successful in obtaining and retaining licenses or proprietary or patented technologies in the future. Further, our products may infringe the intellectual property rights of others and we may be unable to secure necessary licenses to enable us to continue to manufacture or sell our products.

Risks in relation to the use of financial instruments

We are exposed to market risks in the ordinary course of our business. These market risks are principally limited to interest rate fluctuations, capital market fluctuations, foreign currency exchange rate fluctuations, and credit risk, as discussed below.

Interest rate fluctuations

Changes in the general level of U.S. and European interest rates expose the Group to interest rate risk. These changes could affect our interest income and interest expense. However, our cash and cash equivalents are invested in interest-bearing savings and money market accounts and we do not enter into investments for trading or speculative purposes. In addition, we do not currently have any debt and so there is no interest rate risk related to interest expense.

Capital market fluctuations

Our cash and cash equivalents are invested in interest-bearing savings and money market accounts. We do not enter into investments for trading or speculative purposes. We do not believe capital market fluctuations would have a material effect on the fair market value of our portfolio.

Foreign currency exchange rate fluctuations

We are exposed to foreign exchange rate risk because we currently operate in three major regions of the world: the United States, Europe & ROW, and Asia, and our revenue is denominated in multiple currencies. Approximately 50% of our sales were in the United States, which are denominated in U.S. Dollars. Sales in China are denominated in U.S. Dollars but these sales are made by our United Kingdom-based subsidiary where the Pound Sterling is the functional currency. As a result, these sales are subject to remeasurement into Pounds Sterling and then translation into U.S. Dollars when we consolidate our financial statements. Sales in Europe are denominated primarily in the Pound Sterling and Euro. As we grow Europe & ROW sales outside the United Kingdom and the Euro Zone, we may be subject to risk from additional currencies. Sales in Japan are denominated in Yen, and our sales in Japan, which started in late 2012, have since grown significantly.

Our expenses are generally denominated in the currencies in which our operations are located, which are primarily in the United States, the United Kingdom, Japan, Europe and China.

As we continue to grow our business outside the United States, our results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. To date, we have not entered into any foreign currency hedging contracts, although we may do so in the future.

Credit risk

In the year ended 31 December 2015, the Group had two product customers that represented more than 10% of the Group's annual turnover. The Group's Chinese distributor, Shanghai Fosun Long March Medical Science Co. Ltd. represented 18% of annual turnover and the Group's Japanese importer, Riken Genesis Co., Ltd. represented 12% of annual turnover. Credit risk across the remainder of our customer base is reduced by the large number of customers with relatively small balances.

Our customer base consists of hospitals, public health departments, commercial testing laboratories, importers and distributors. To date, we have had minimal experience with bad debts.

Going Concern

Our financial position, including our cash flows and liquidity position, are fully described in the consolidated financial statements. Having reviewed cash flow forecasts for the 12 month period following the date of signing the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing these financial statements.

DESCRIPTION OF STRATEGY

Our objective is to increase adoption of our T-SPOT.*TB* test for screening and detecting persons infected with TB infection. To achieve this objective, our strategy is to:

- *Accelerate our penetration into proven market segments in the United States.* We intend to continue to invest in our direct sales and customer service teams to increase our capacity to cover the hospital and public health segments, which have been the foundation of our success to date. In addition, we expect to continue building upon our marketing and medical education programs to increase awareness and understanding of the advantages of our T-SPOT.*TB* test over the TST, including by leveraging scientific publications.
- *Expand into other market segments in the United States.* We intend to continue to increase our sales and marketing investment in other key market segments where feasible, including physicians' offices, hospital laboratories, universities and HIV clinics.
- *Expand our commercial presence outside the United States.* We intend to continue making investments to expand our sales presence and marketing teams, particularly in Europe, Japan and China. In 2014, we opened an office in Shanghai, China and in 2015 we grew our commercial penetration in this market as well as in additional Asian markets. We intend to establish a presence in select additional geographies to accelerate test adoption in countries where we already have regulatory approval.
- *Expand our addressable market outside the United States.* We intend to continue to invest in opening up new markets by gaining additional regulatory approvals. In addition, we intend to continue to invest to develop markets in which we already have regulatory approval through, for example, generating the data to yield supportive guidelines and reimbursement.

BUSINESS MODEL

Under our flexible business model, we currently offer our T-SPOT.*TB* test in either an *in vitro* diagnostic kit or a service format. In the former, we sell test kits and associated accessories to laboratories for them to perform the testing themselves. In the latter, we have established clinical testing laboratories in the United States and the United Kingdom, where we perform our T-SPOT.*TB* test on samples sent to us by customers. In these markets, we have found that many customers prefer to send samples to us rather than perform their own analysis on-site. We market our service offering under the name Oxford Diagnostic Laboratories®, or ODL®.

Our ODL service is typically comprised of the following steps:

- The customer draws a blood sample and places it in a pre-paid, re-usable, specialised shipping container that we provide, along with a completed test requisition form.
- The sample is picked up by our designated courier, although customers can also drop off samples themselves to courier locations, and shipped overnight.
- When the package arrives at our ODL facilities, we unpack and enter the sample data into our laboratory information system, or LIS. The LIS assists us in sample processing and tracking and provides various automation options for result delivery and invoicing.
- We process the sample and, once the test is complete, we report the results back to the customer and submit an invoice to the customer or, in certain cases, to a patient's insurance provider. We have various mechanisms for customers to order and receive their results according to their preference, including fax, encrypted e-mail, web-portal or an interface with their electronic medical records system.

Although primarily designed for use in detecting LTBI, our test can also be used to assist in the diagnosis of active TB disease, particularly in suspected cases where conventional diagnostic methods such as chest x-ray or sputum smear are inconclusive. Because infection is a pre-requisite for disease, ruling out LTBI can aid physicians in diagnosing a different disease or condition. Our test has been included in guidelines in several countries for this purpose, such as those from the Netherlands, France, Ireland and Italy.

Our approximately 35,000 square foot U.S. ODL facility is located in Memphis, Tennessee, approximately ten miles from the FedEx global headquarters and sorting facility. We use FedEx as our courier for samples in the United States and have negotiated discounted shipment rates that our customers are able to take advantage of via our pre-paid specialised shipping containers. We believe that our location gives our laboratory the competitive advantage, being able to access almost all parts of the continental United States with a patient-to-lab time of typically less than 20 hours. In addition, we believe it gives us market access and convenience advantages because customers can use our service wherever there is a FedEx pick-up or drop-off location. Further, as we typically receive the majority of our packages from FedEx's sort facility at 4 a.m., Memphis time, each morning we are able to achieve turnaround times that we believe are substantially quicker than other competing laboratories. Our U.S. ODL facility is CAP accredited and has obtained the necessary CLIA registrations to accept samples from all 50 states.

Our U.K. ODL facility is located in an approximately 2,100 square foot laboratory facility in Abingdon, England. We use DX, which is the same courier used by U.K. National Health Service institutions, as our primary courier in the United Kingdom. Our U.K. lab is accredited to the ISO17025 quality standard.

ENVIRONMENTAL MATTERS

Our operations require the use of hazardous materials, which, among other matters, subjects us to a variety of federal, state, local and foreign environmental, health and safety laws, regulations and permitting requirements, including those relating to the handling, storage, transportation and disposal of biological and hazardous materials and wastes. The primary hazardous materials we handle or use include human blood samples and solvents. Some of the regulations under the current regulatory structure provide for strict liability, holding a party liable for contamination at currently and formerly owned, leased and operated sites and at third-party sites without regard to fault or negligence. We could be held liable for damages and fines as a result of our, or others', operations or activities should contamination of the environment or individual exposure to hazardous substances occur. We could also be subject to significant fines for failure to comply with applicable environmental, health and safety requirements. We cannot predict how changes in laws or development of new regulations will affect our business operations or the cost of compliance.

GREENHOUSE GAS REPORT

Our greenhouse gas emission estimates for 2015 and 2014 have been prepared in accordance with the U.K. Government's Department for Environment, Food and Rural Affairs (Defra) guidance document Environmental Reporting Guidelines: Including Mandatory GHG emissions reporting guidance from June 2013:

Greenhouse gas emissions for the Group

Source	**Tonnes carbon dioxide equivalent (tCO2-e)**	
	Year ended 31 December	
	2015	**2014 *** (as restated)
Estimated greenhouse gas emissions from our own activities, including the combustion of fuel and the operation of our facilities	212.20	181.53
Estimated greenhouse gas emissions from purchased electricity, heat, steam or cooling for own use	821.83	694.83
Total estimated greenhouse gas emissions	**1,034.03**	**876.35**
Intensity ratio: Total greenhouse gas emissions per $1m turnover	16.47	17.70

***** During the preparation of the 2015 greenhouse gas report, an error was discovered in the 2014 natural gas conversion and as such the 2014 results presented above have been restated to correct for this error.

Our reporting boundary has been determined using the "Operational Control' approach. Reportable activity data has been captured based on our internal systems. Standard emission factors from Defra's GHG Conversion Factor Repository were applied to estimate emissions.

Electricity usage at our leased facilities in the United States and the United Kingdom drive the majority of our greenhouse gas emissions. Our estimate reflects use of coolant gasses for refrigeration purposes at our laboratories in Memphis and Abingdon, with our records indicating no leakage causing greenhouse gas emissions during 2015 or 2014.

Some activity data relating to emissions from our reportable activities were not recorded and consequently were unavailable. This includes fuel used for back-up generators at our laboratories. It was impractical for us to obtain these data for our 2015 or 2014 greenhouse gas emission estimates. In addition, for 2014, information related to electricity usage at our Japanese office facility was unavailable. We believe the missing data has resulted only in immaterial under-estimation of the reported greenhouse gas emission estimates.

EMPLOYEES

As of 31 December 2015, we had 278 employees including our Chief Executive Officer who is also a Statutory Director. None of our employees is represented by a labour union. However, we have one employee in Belgium covered under a collective bargaining agreement. We have not experienced any work stoppages and we believe our employee relations are good.

Meetings are held with employees to discuss the operations and progress of the business and employees are encouraged to become involved in the success of the Group through share option schemes (see Note 20 – Share Based Payments). Board members interact with employees of all Group affiliates and regularly visit the Group's facilities, thereby providing opportunities to engage in meaningful discussions with employees at all levels within the organisation. Our employee bonus schemes, based on the performance of the business, remain in place.

Diversity

Appointments within the Group are made on merit according to the balance of skills and experience offered by prospective candidates. Whilst acknowledging the benefits of diversity, individual appointments are made irrespective of personal characteristics such as race, disability, gender, sexual orientation, religion or age. A breakdown of the employment statistics as at 31 December is as follows:

Position	Male	Female	Total
Group Director [(1)]	7	1	8
Senior Manager	26	11	37
Other Employees	106	134	240
Total Employees [(2)]	132	145	277

(1) Includes our Chief Executive Officer
(2) Excludes our Chief Executive Officer

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES

Social Community and Human Rights

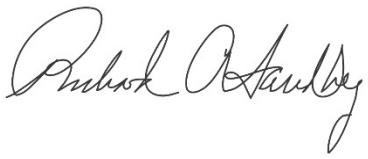
The Group endeavours to impact positively on the communities in which it operates. The Group does not, at present, have a specific policy on human rights. However, we have several policies that promote the principles of human rights. We will respect the human rights of all our employees, including:

- Provision of a safe, clean working environment,
- Ensuring employees are free from discrimination and coercion
- Not using child or forced labour
- Respecting the rights of privacy and protecting access and use of employee personal information.

We also have an equal opportunities policy and a dignity at work policy, both of which promote the right of every employee to be treated with dignity and respect and not to be harassed or bullied on any grounds.

The Strategic Report was approved by the Board on 13 May 2016.

On behalf of the board



Richard A Sandberg
Director
13 May 2016

Directors' Remuneration Report
The information provided in this part of the Directors' Remuneration Report is not subject to audit.

Remuneration Committee Chairman's Annual Statement

Dear Shareholder:

On behalf of the Board of Directors of Oxford Immunotec Global PLC, I am pleased to present the Directors' Remuneration Report. Shareholders will be invited to approve the Annual Report on Remuneration (which will be a non-binding advisory vote) at the Annual General Meeting of Shareholders to be held on 28 June 2016.

Period Covered by the Directors' Remuneration Report

The Directors' Remuneration Report that follows is for the full year period of 1 January 2015 through 31 December 2015.

The Remuneration Committee

The Remuneration Committee is responsible for reviewing and establishing our management remuneration policy and philosophy, including determining and approving the remuneration of the chief executive officer and other executives who comprise our senior management team. While the full Board of Directors sets director remuneration, the Remuneration Committee makes recommendations on such matters to the Board of Directors.

Philosophy

We seek to attract and retain outstanding employees, who have the potential to achieve consistently strong results for shareholders, and to attract and retain non-executive directors who can substantially contribute to our success as an innovative diagnostics company operating in a global environment. Given that most of our senior executives and most of our non-executive directors live and work in the United States, and the fact that we are listed on a U.S. stock exchange, we assess the competitiveness of our policies primarily against U.S. benchmarks and practices.

Business strategy during 2015

Our primary goals in 2015 were to grow revenues, improve gross margin and make significant progress in achieving our product development objectives. 2015 was a year of continued investment of the proceeds of our initial public offering and follow on financing to continue to grow the Group and enhance shareholder value.

The remuneration awarded to our chief executive officer for 2015 reflects his excellent performance that enabled us to substantially achieve our corporate goals. The new remuneration arrangements adopted in 2016 recognize past accomplishments as well as the greater demands placed on our chief executive officer going forward.

James R. Tobin
Chairman of the Remuneration Committee
2 May 2016

PART I - ANNUAL REPORT ON REMUNERATION

Certain information provided in this part of the Directors' Remuneration Report is subject to audit.

The following sections are not subject to audit:

- performance graph;
- percentage change in remuneration of director undertaking the role of CEO;
- relative importance of spend on pay;
- statement of implementation of remuneration policy in the current financial year;
- consideration by directors of matters relating to directors remuneration; and
- statement of voting results at the annual general meeting.

The Remuneration Committee presents the Annual Report on Remuneration, which will be put to shareholders for a non-binding vote at the Annual General Meeting to be held on 28 June 2016.

Single Total Figure of Remuneration – Executive Directors

All amounts disclosed in USD

Executive Director Peter Wrighton-Smith(1)	Base Salary ($)	Taxable Benefits ($)	Annual Cash Incentive(2) ($)	Equity-Based Awards(3) ($)	Matching of Voluntary Pension Contributions and other items ($)	Total ($)
2015	414,526	898(4)	256,073(5)	600,272(6)	30,291(7)	1,302,060
2014	406,827	859(8)	157,004(9)	1,234,867(10)	27,998(11)	1,827,555

(1) Remuneration paid to and amounts paid for benefits provided for Dr. Wrighton-Smith is denominated in Pounds Sterling. For purposes of this table, all 2014 amounts have been converted based on the Pound Sterling/U.S. Dollar exchange rate in effect as of December 31, 2014 (£1/$1.55753). 2015 amounts have been converted based on the Pound Sterling/U.S. Dollar exchange rate in effect as of December 31, 2015 (£1/$1.48045).

(2) Amounts recorded here reflect cash received or receivable in the reported year for the achievement of performance measures and targets in the reported year.

(3) Amounts recorded here reflect the cash equivalent of equity awards that have vested in the reported year. Under the Group's Share Incentive Plans, (i) in the case of options awarded before June 2015, the awards vest monthly over a 48 month period and (ii) in the case of options awarded after June 2015, awards vest annually in equal amounts over 4 years. The options awards are not subject to performance requirements. The cash equivalent of option awards for those option awards that vest monthly, is calculated by multiplying the number of options that vested each month by the market value of the Group's shares on the date of vesting. No portion of the option awards that vest annually vested during the reported period. The cash equivalent of restricted share awards is calculated by multiplying the number of restricted shares which became unrestricted during the year by the market value of the Group's shares on the date the restriction on the shares lifted. None of the restricted share units held by Dr. Wrighton-Smith vested during the reported year.

(4) Taxable benefits provided for Dr. Wrighton-Smith to which the Group contributes include the costs of private health insurance coverage in the amount of $861 and $37 paid to Dr. Wrighton-Smith for making a blood donation for use in the Group's research and development work. The private health insurance coverage and payment for blood donations are available on equal terms to all of the Company's U.K.-based employees.

(5) The annual cash incentive was determined based upon performance in 2015 and paid in 2016.

Single Total Figure on Remuneration – Executive Directors (Continued)

(6) The amount reported equals the cash equivalent of options that vested during the reported period. For those option awards vested monthly, the cash equivalent was determined by multiplying the number of options that vested each month by the market value of the Group's shares on the date of vesting and then summing the products during the reported period. The fair market value of ordinary shares was deemed to be the closing price as reported by NASDAQ on the vesting date or, if vesting occurred on a date when the market was not open, the preceding business day. None of the option awards that vest annually vested during the reported period. None of the restrictions on Dr. Wrighton-Smith's restricted share awards or restricted share units lapsed during the reported period. The amount reported was not realized by Dr. Wrighton-Smith in the reported period as the vested options were not exercised during the period.

(7) The amount reported equals 5% of Dr. Wrighton-Smith's base salary. During the reported period five percent is the maximum employer matching contribution to each employee's participation in the basic defined contribution pension scheme. Dr. Wrighton-Smith had elected to participate in a voluntary salary exchange scheme which reduced the amount of his base salary from that shown above and resulted in all employer tax and national insurance savings on account of the reduction also being contributed to Dr. Wrighton-Smith's pension account. The effects of the voluntary salary exchange participation are not reflected in the table. The amount also includes approximately $2,000 in benefits available to other employees.

(8) Taxable benefits provided for Dr. Wrighton-Smith to which the Group contributes include the costs of private health insurance coverage in the amount of $742 and $117 paid to Dr. Wrighton-Smith for making a blood donation for use in the Group's research and development work.

(9) The annual cash incentive was determined based upon performance in 2014 and paid in 2015.

(10) The amount reported equals the cash equivalent of options that vested during the reported period. Because the option awards vested monthly, the cash equivalent was determined by multiplying the number of options that vested each month by the market value of the Group's shares on the date of vesting and then summing the products during the reported period. The fair market value of ordinary shares was deemed to be the closing price as reported by NASDAQ on the vesting date or, if vesting occurred on a date when the market was not open, the next succeeding business day. The amount reported was not realized by Dr. Wrighton-Smith in the reported period as the vested options were not exercised during the period.

(11) The amount reported equals 5% of Dr. Wrighton-Smith's base salary for the portion of the year during which the Group was in existence. Five percent was the maximum employer matching contribution to each employee's participation in the basic defined contribution pension scheme. However, Dr. Wrighton-Smith had elected to participate in a voluntary salary exchange scheme which reduced the amount of his base salary from that shown above and resulted in all employer tax and national insurance savings on account of the reduction also being contributed to Dr. Wrighton-Smith's pension account. The effects of the voluntary salary exchange participation are not reflected in the table. The amount also includes approximately $500 in benefits available to other employees.

Base Salary

The annual rate of base salary reflected in the table above for 2015 for Dr. Wrighton-Smith became effective on 1 January 2015 and was awarded for his role as the chief executive officer of a public company. Base salary levels are customarily reviewed and, to the extent deemed appropriate, adjusted as of 1 January of each year.

Taxable Benefits

Generally, Dr. Wrighton-Smith participates in the same benefits we offer to all our employees in the United Kingdom, where Dr. Wrighton-Smith resides.

Annual Cash Incentive

For the 2015 year, the target annual cash incentive for Dr. Wrighton-Smith was based 70% on achievement of corporate objectives and 30% on achievement of individual objectives. The corporate objectives included revenue goals and other financial metrics. For 2015, our corporate goals were achieved at 87.5%. The individual objectives included targets relative to strengthening our organization, improving our strategic position, completing specific projects and improving the Group's capital position. In early 2016, the Remuneration Committee conducted an assessment of Dr. Wrighton-Smith's performance for the 2015 year, including the extent to which the various goals established for him had been achieved. Based upon his performance, the Remuneration Committee determined that Dr. Wrighton-Smith had accomplished 90% of his individual goals.

The Board of Directors has considered whether it would be in the best interests of the Group and its shareholders to disclose the precise targets agreed for each of the performance measures in 2015 or the weightings given to those targets. As specific corporate objectives for a single year are designed based on the Group's long-term strategies, the Board of Directors concluded that disclosing such targets and weightings for 2015 would necessarily involve divulging competitively sensitive information, even after our financial year results have been published. We believe disclosure would be detrimental to our commercial performance going forward and, therefore, we are providing only the categories of objectives, not the precise targets. Likewise, the Board of Directors concluded that disclosure of the specific individual objectives for the year and the weighting of those objectives would involve the release of competitively sensitive information.

The Committee has established corporate objectives for the 2016 year as well as individual objectives for Dr. Wrighton-Smith for the year. As with the 2015 year, 70% of Dr. Wrighton-Smith's target annual cash incentive is to be measured based on attainment of corporate objectives. The corporate objectives include targets for revenues and other financial metrics, together with product development and quality goals. The individual objectives for the year include defined goals for strengthening our organization, improving our strategic position, completing specific projects and expanding the Group's profile and shareholder base in the capital markets.

Single Total Figure on Remuneration – Non-Executive Directors

All amounts paid and disclosed in USD

Non-Executive Director*	Basic Retainer	Retainer for Chairman	Retainer for Committee Service	Retainer for Committee Chairperson	Retainer for Secretary to the Board	Total Cash Remuneration	Equity-Based Awards(1)	Total
Richard A. Sandberg, Chairman								
2015	35,000	65,000	—	—	—	100,000	30,505(2)	130,505
2014	35,000	65,000	—	—	—	100,000	103,238(2)	203,238
Stephen L. Spotts								
2015	35,000	—	12,500	—	—	47,500	19,150(2)	66,650
2014	35,000	—	12,500	—	—	47,500	122,420(2)	169,920
Nigel A. Pitchford (3)								
2015	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—
Herm Rosenman								
2015	35,000	—	6,250	15,000	—	56,250	— (4)	56,250
2014	35,000	—	5,687	15,000	—	55,687	18,145(4)	73,832
Patricia Randall(5)								
2015	35,000	—	—	—	28,750	63,750	70,869(6)	134,619
2014	19,327	—	—	—	15,797	35,124	125,043(7)	160,167
James Tobin(8)								
2015	35,000	—	11,250	—	—	46,250	14,665(4)	60,915
2014	2,948	—	948	—	—	3,896	— (9)	3,896
Ronald A. Andrews Jr. (10)								
2015	5,516	—	985	—	—	6,501	— (9)	6,501
2014	—	—	—	—	—	—	—	—
A. Scott Walton (11)								
2015	5,516	—	1,182	—	—	6,698	—(9)	6,698
2014	—	—	—	—	—	—	—	—

* Michael Steinmetz and Vijay Lathi served as Directors through June 2014. During their tenure, Messrs. Steinmetz and Lathi were affiliated with institutional investors and therefore received no remuneration from the Group for their service as Directors.

(1) All equity awards made in 2015 were made pursuant to the Director Remuneration Policy approved by the Group's shareholders at the 2014 annual general meeting. Under this policy, directors receive an initial award of 14,914 options which vests in equal parts at the following three annual general meetings of shareholders and an annual award of 7,457 options which vests in full at the following annual general meeting. Equity awards made to non-executive, independent directors during the period of time when the Group was private were made under our 2008 Amended and Restated Share Incentive Plan, with all awards approved by the Remuneration Committee.

Single Total Figure on Remuneration – Non-Executive Directors (Continued)

(2) The value of the equity-based awards reported in the table is the product of number of shares subject to option that vested during the reported period multiplied by the fair market value of the shares as of the date of vesting minus the exercise price of the options, rounded to the nearest dollar. The fair market value of ordinary shares was deemed to be the closing price of our shares as reported by NASDAQ on the vesting date or, if a vesting date occurred on a date when the market was not open, the next succeeding business day. The amounts reported reflect the value of the option awards made to Messrs. Sandberg and Spotts during the period the Group was private. During the period when the Group was private, the fair market value of ordinary shares on certain vesting dates was deemed to be the valuation of the shares on that date, as determined by an independent valuation firm retained by the Group. Those awards vest monthly over a 48-month period. The amount of remuneration reported in this column was not realized by either Mr. Sandberg or Spotts in the reported period because these options were not exercised in that period.

(3) Dr. Pitchford was affiliated with a major investor and therefore received no remuneration from the Group for his service as a Director.

(4) The value of the equity-based awards reported is the product of the number of shares subject to option that vested during the reported period multiplied by the fair market value of the shares as of the date of vesting minus the exercise price of the option, rounded to the nearest dollar. One-third of the initial option award and the first annual option award vested on the day of the 2015 annual general meeting of shareholders. Any amount of remuneration reported in this column was not realized by the director in the reported period because these options were not exercised in that period. If the cost to exercise the option exceeded the value of the options on the date of vesting, no amount is shown.

(5) Ms. Randall was elected to the Board of Directors on 12 June 2014. She did not receive remuneration for service as a director prior to election and received an initial option award and an annual option award on the date of her election to the Board of Directors.

(6) The value of the equity-based awards reported is the product of the number of shares subject to option that vested during the reported period multiplied by the fair market value of the shares as of the date of vesting minus the exercise price of the option, rounded to the nearest dollar. The fair market value of ordinary shares was deemed to be the closing price of our shares as reported by NASDAQ on the vesting date or, if a vesting date occurred on a date when the market was not open, the next succeeding business day. During the period when the Group was private, the fair market value of ordinary shares on certain vesting dates was deemed to be the valuation of the shares on that date, as determined by an independent valuation firm retained by the Group. One-third of the initial option award and the annual option award vested on the day of the 2015 annual general meeting of shareholders. The amount of remuneration reported in this column was not realized by Ms. Randall in the reported period because these options were not exercised in that period.

(7) The value of the equity-based awards reported in the table is the product of number of shares subject to option that vested during the reported period multiplied by the fair market value of the shares as of the date of vesting minus the exercise price of the options, rounded to the nearest dollar. The fair market value of ordinary shares was deemed to be the closing price of our shares as reported by NASDAQ on the vesting date or, if a vesting date occurred on a date when the market was not open, the next succeeding business day. During the period when the Group was private, the fair market value of ordinary shares on certain vesting dates was deemed to be the valuation of the shares on that date, as determined by an independent valuation firm retained by the Group. No portion of the initial option award or annual option award made upon Ms. Randall's election to the Board of Directors vested during the reported period. The amounts reported reflect the value of the option awards made to Ms. Randall during the period the Group was private. Those awards vest monthly over a 48-month period. Ms. Randall exercised 8,650 options during the reported period and realized approximately $50,000 from the sale of a portion of the shares obtained through exercise. The remainder of the amount of remuneration reported in this column was not realized by Ms. Randall in the reported period because the remaining options were not exercised in that period.

(8) Mr. Tobin was appointed to the Board of Directors on 1 December 2014 and received an initial option award and an annual option on the date of his appointment.

(9) No portion of the award vested during the reported year.

Single Total Figure on Remuneration – Non-Executive Directors (Continued)

(10) Mr. Andrews was appointed to the Board of Directors on 4 November 2015 and received an initial option award and an annual option award on the date of his appointment.

(11) Mr. Walton was appointed to the Board of Directors on 4 November 2015 and received an initial option award and an annual option award on the date of his appointment.

Statement of Directors' Shareholdings and Share Interests

The table below shows, for each person who served as a Director of the Group during 2015, the total number of shares owned, the total number of share options and the number of share options vested but unexercised, all as of 31 December 2015 (or such earlier date as the Director resigned), as well as share options exercised during the year. The table only reflects shares held individually by the Director, not those held by any investment fund with which the Director is affiliated.

Name of Director	**Shares Held**	**Share Options Held**	**Vested Share Options (1)**	**Options Exercised**
Executive Director				
Peter Wrighton-Smith	453,247(2)	514,230(3)	323,108(4)	—
Non-Executive Directors				
Richard A. Sandberg	32,174	31,564	21,657(5)	—
Stephen L. Spotts	—	44,473	35,966(5)	—
Herm Rosenman	—	37,285	24,856(6)	—
Ronald A. Andrews, Jr.	—	22,371	— (7)	—
A. Scott Walton	—	22,371	— (7)	—
Patricia Randall	3,650	72,143	51,760(5)	—
James R. Tobin	—	29,828	12,428(6)	—

(1) Vested Share Options are a subset of Share Options Held.
(2) This amount includes 75,440 restricted share awards.
(3) This amount includes 22,066 restricted share units.
(4) The option awards reported vest (i) monthly from the vesting date over 48 months for those options awarded before June 15, 2015 and (ii) annually on the vesting start date over 4 years for those options awarded after June 15, 2015.
(5) The option awards reported vest (i) monthly from the vesting start date for those options awarded during the period when we were a private company and (ii) on the day of the annual general meeting of shareholders.
(6) The option awards reported vest on the day of the annual general meeting of shareholders.
(7) No portion of the initial option award or the annual option award vested during the reported year.

Summary of Equity-Based Awards made during the financial year 2015

The table below presents information on share option awards made to non-executive Directors during the year.

Director	Date of Award	Number of Shares Covered	Face Value of Award (1)
Ronald A. Andrews, Jr.	4 November 2015	14,914 (2)	$186,425
Ronald A. Andrews, Jr.	4 November 2015	7,457 (3)	$93,213
A. Scott Walton	4 November 2015	14,914(2)	$186,425
A. Scott Walton	4 November 2015	7,457(3)	$93,213
Patricia Randall	9 June 2015	7,457(4)	$105,666
Herm Rosenman	9 June 2015	7,457(4)	$105,666
Richard A. Sandberg	9 June 2015	7,457(4)	$105,666
Stephen L. Spotts	9 June 2015	7,457(4)	$105,666
James R. Tobin	9 June 2015	7,457(4)	$105,666

(1) The face value represents the number of shares covered by the award times the exercise price of the award, which was the fair market value of the shares on the date of grant. No value can be realized unless there is an increase in the value of the shares following the date of the award. Further no value can be realized until the options are vested and exercised.

(2) This award was an initial award made in connection with commencement of service as a Director. The award will vest in three equal instalments on each of the next three annual general meetings of shareholders, subject to continued service.

(3) This award was the first annual award made in connection with commencement of service of a Director. The award will vest at the 2015 annual general meeting of shareholders, subject to continued service.

(4) This award was the annual award made to Directors consistent with the Directors' Remuneration Policy. The award will vest at the 2016 annual general meeting of shareholders, subject to continued service.

Payments made to past directors

In 2015, we made no payments to former directors of the Group.

Payments for loss of office

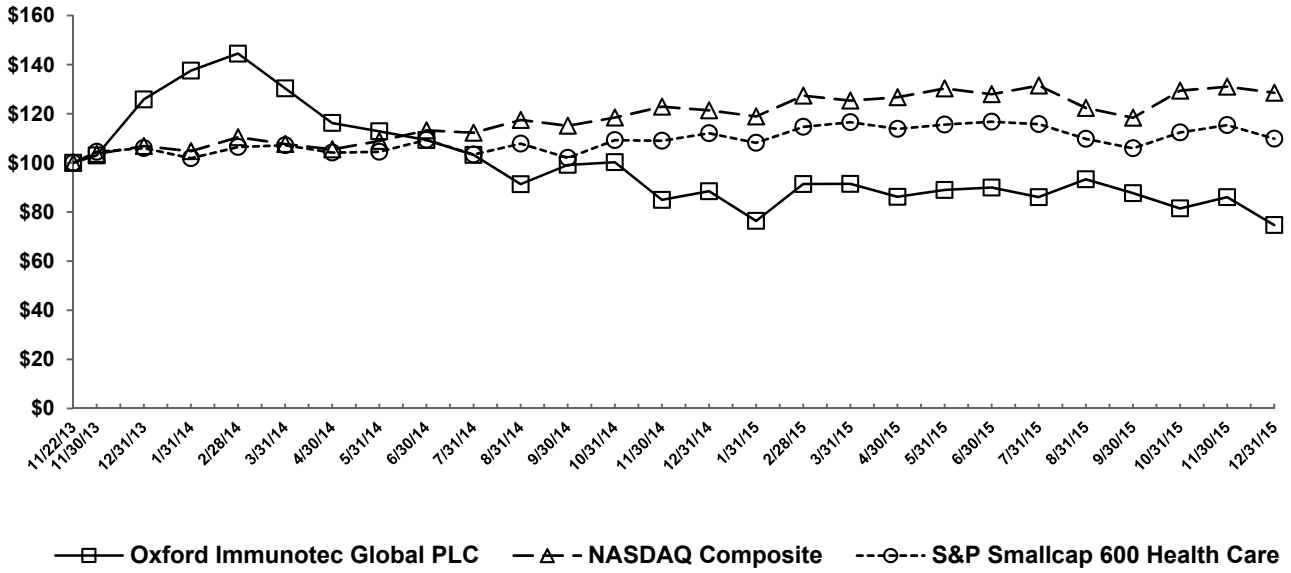
In 2015, we made no payments with respect to a director's loss of office.

Performance Graph

Because the Group has only been in existence since 16 August 2013, the Group cannot set forth a performance graph depicting total shareholder return over a five-year period. Set forth below is a graph that compares the cumulative total shareholder return on our ordinary shares with that of the Nasdaq Composite Index and the S & P SmallCap 600® Healthcare Index. The comparison assumes that $100.00 was invested at the close of the market on 22 November 2013 in our ordinary shares or on 31 October 2013 in the Nasdaq Composite Index and the S & P SmallCap 600 Healthcare Index, and assumes reinvestment of dividends, if any. The performance graph is based on historical results and is not intended to suggest future performance.

COMPARISON OF 25 MONTH CUMULATIVE TOTAL RETURN*

Among Oxford Immunotec Global PLC, the NASDAQ Composite Index,
and the S&P Smallcap 600 Health Care Index



*$100 invested on 22 November 2013 in ordinary shares or 31 October 2013 in index, including reinvestment of dividends.

Fiscal year ending 31 December.

Percentage Change in Remuneration of Director Undertaking the Role of CEO

Set forth below is a table showing the percentage change in the remuneration of Peter Wrighton-Smith between 2014 and 2015 in comparison to the percentage change in remuneration of the comparator group.

	% Change of CEO Remuneration Against 2014	% Change of Employee Remuneration Against 2014 (1)
Salary(2)	1.9%	4.7%
Taxable Benefits	4.5%	44.1%
Annual Bonus(3)	74.1%(4)	55.4%

(1) The employee group used as a comparator comprises all U.S. and U.K. employees who were employed during each full calendar year. The number of employees in the comparator group increased by 28 employees between 2014 and 2015.

(2) Salary includes base salary, back pay, holiday pay, overtime, commissions, and other forms of remuneration exclusive of taxable benefits and annual incentive compensation.

(3) For purposes of this table, annual bonus payments for 2014 included amounts paid in 2015 based upon performance in 2014; likewise, annual bonus payments for 2015 included amounts paid in 2016 based upon performance in 2015.

(4) The percentage increase reflects the change to the target bonus of Dr. Wrighton-Smith from 50% of base salary in 2014 to 70% of base salary in 2015 as well as the improved performance of the Group against its corporate goals in 2015 as opposed to 2014.

Relative Importance of Spend on Pay

The Company sets forth below the relative importance of spend on pay. Given that the Company remains in the early phases of its business life cycle, the comparator chosen to reflect the relative importance of the Company's spend on pay is the operating expense of the Company as determined by combining the distribution costs and administrative expenses shown in the Company's consolidated income statement in its annual statutory report for 2015.

	2014	2015	% change
Remuneration Paid to All Employees	$23,110,000	$35,325,000	53%
Operating Expense	$47,434,000	$57,494,000	21%

Statement of Implementation of Remuneration Policy in the Current Financial Year

There have been no changes to the Directors' Remuneration Policy as adopted at the 2014 annual general meeting of shareholders. In 2016, the Group intends to continue to adhere to the policy as adopted.

Consideration by the Directors of Matters in relation to Directors' Remuneration

Prior to 9 June 2015, the Remuneration Committee was comprised of Richard A. Sandberg, Nigel A. Pitchford, Herm Rosenman and James R. Tobin. Upon Dr. Pitchfords's retirement as a member of the Board of Directors, the Remuneration Committee consisted of Messrs. Sandberg, Rosenman and Tobin. Upon appointment to the Board on 4 November 2015, Ronald A. Andrews, Jr. joined the Remuneration Committee. The Remuneration Committee is presently comprised of James R. Tobin, Herm Rosenman and Ronald A Andrews, Jr. Messrs. Tobin, Rosenman and Sandberg served during 2015 when each was a director of the Group. Each director will continue to serve until the date of this Annual Report on Remuneration. The charter of the Remuneration Committee is set forth in the Investors - Corporate Governance section on our website at http://investor.oxfordimmunotec.com.

The Remuneration Committee retained Radford, an Aon Hewitt company, to provide independent advice and consultation with respect to remuneration arrangements for the Executive Director, senior management and other employees. Radford is a global remuneration consultant with a well-established reputation for design and implementation of remuneration programs, including the design and implementation of equity-based award programs. The amounts paid to Radford in 2015 total $64,506.75.

In addition to Radford, the Remuneration Committee solicited and received input from the Chief Executive Officer concerning the remuneration of senior executives other than the Chief Executive Director. The Chief Executive Officer provided recommendations with respect to annual cash incentives to be paid to these persons for service in 2015, and with respect to base salaries and equity-based awards to be made to these persons in 2016. Finally, the Chief Executive Officer also provided input to the Remuneration Committee regarding the implementation of equity-based remuneration as an element of all other employees' remuneration.

Statement of Voting at General Meeting

At the 2015 annual general meeting of shareholders, voting results in relation to the director remuneration report was as follows:

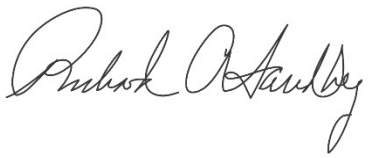
Resolution	Votes For	% of Total	Votes Against	% of Total	Votes Abstain	% of Total
Approve Directors' Remuneration Report	8,776,620	71.26	3,539,227	28.74	149	0

In connection with the 2015 proxy, ISS recommended a no vote in connection with the proposal seeking approval of the remuneration report. The Company worked with ISS throughout 2015 to understand the basis of its recommendations and adjusted its practices relating to remuneration to more closely align them with Company's performance.

PART II (DIRECTORS' REMUNERATION POLICY) has been excluded from this Directors' Remuneration Report, as the last approved policy will continue to apply. This remuneration policy was approved at the Annual General Meeting held on 12 June 2014 and can be found Annex A to our 2014 Proxy Statement in the Investors - Corporate Governance section on our website at http://investor.oxfordimmunotec.com.

Approval

This report was approved by the Board of Directors as of 2 May 2016 and signed on its behalf by:



Richard A Sandberg
Chairman
2 May 2016

The Directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under that law, the Directors have elected to prepare Group financial statements under accounting principles generally accepted in the United States of America (U.S. GAAP) and have elected to prepare the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Under company law the Directors must not approve the Group or parent company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group for that period.

In preparing the financial statements, the Directors are required to:

- Present fairly the financial position, financial performance and cash flows;
- Select suitable accounting policies and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and accounting estimates that are reasonable and prudent;
- Provide additional disclosures when compliance with the specific requirements in U.S. GAAP is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- State whether the Group financial statements have been prepared in accordance with U.S. GAAP subject to any material departures disclosed and explained in the financial statements;
- State whether the parent company accounts have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain in the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Directors', Strategic, and Remuneration Reports in accordance with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the U.K. governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD IMMUNOTEC GLOBAL PLC

We have audited the group financial statements of Oxford Immunotec Global PLC for the year ended 31 December 2015 which comprise the Consolidated Income Statement, the Consolidated Statement of Total Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and accounting principles generally accepted in the United States of America (U.S.GAAP).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 33, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (U.K. and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with accounting principles generally accepted in the United States of America (U.S.GAAP); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

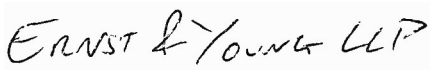
Matters on which we are required to report by exception

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

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Other matter

We have reported separately on the parent company financial statements of Oxford Immunotec Global PLC for the year ended 31 December 2015 and on the information in the Directors' Remuneration Report that is described as having been audited.



Marcus Butler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
13 May 2016

Notes:

1. The maintenance and integrity of the Oxford Immunotec Global PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OXFORD IMMUNOTEC GLOBAL PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2015

	Notes	2015 $000	2014 $000
Product		30,207	25,407
Service		32,575	24,098
TURNOVER	2	62,782	49,505
Product		13,297	11,225
Service		16,247	12,784
Cost of sales		(29,544)	(24,009)
GROSS PROFIT		33,238	25,496
Distribution costs		30,402	25,487
Administrative expenses		27,092	21,947
Other operating income		(166)	(245)
Operating expenses		(57,328)	(47,189)
OPERATING LOSS	4	(24,090)	(21,693)
Finance costs	3	(242)	(327)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(24,332)	(22,020)
Taxation	7	(146)	(154)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(24,478)	(22,174)
Net loss per share:			
Basic		(1.12)	(1.28)
Diluted		(1.12)	(1.28)
Weighted-average shares used to compute net loss attributable to ordinary shareholders, basic and diluted		21,781,933	17,310,148

OXFORD IMMUNOTEC GLOBAL PLC
CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME
For the year ended 31 December 2015

	2015	2014
	$000	$000
Loss for the year	(24,478)	(22,174)
Other comprehensive loss, net of taxes:		
Items which may subsequently be reclassified into profit or loss:		
Foreign currency translation adjustment, net of taxes	(707)	(822)
Total comprehensive loss	(25,185)	(22,996)

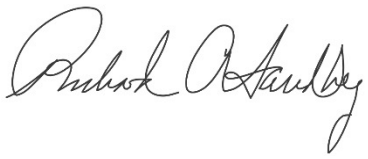
OXFORD IMMUNOTEC GLOBAL PLC
CONSOLIDATED BALANCE SHEET
At 31 December 2015

	Notes	2015	2014
		$000	$000
ASSETS			
FIXED ASSETS			
Goodwill	8	45	50
Other intangible assets	8	1,961	2,672
Tangible fixed assets	9	6,284	4,537
		8,290	7,259
CURRENT ASSETS			
Stocks	10	7,099	6,425
Current asset investments	11	18	30
Trade debtors	14	7,058	6,823
Prepaid expenses and other receivables		3,592	2,755
Debtors		10,650	9,578
Cash at bank and in hand	12	83,795	50,557
		101,562	66,590
TOTAL ASSETS		109,852	73,849
LIABILITIES			
CURRENT LIABILITIES			
Trade and other creditors	15	13,748	9,438
Current portion of loans payable		79	137
Deferred turnover		1,654	1,993
Creditors: amounts falling due within one year		(15,481)	(11,568)
NET CURRENT ASSETS		86,081	55,022
TOTAL ASSETS LESS CURRENT LIABILITIES		94,371	62,281
NON-CURRENT LIABILITIES			
Long-term portion of loans payable		386	454
Other liabilities	13	1,293	1,218
Creditors: amounts falling due in more than one year	16	(1,679)	(1,672)
TOTAL LIABILITIES		17,160	13,240
NET ASSETS		92,692	60,609

OXFORD IMMUNOTEC GLOBAL PLC
CONSOLIDATED BALANCE SHEET (CONTINUED)
At 31 December 2015

	Notes	2015 $000	2014 $000
EQUITY			
Share capital	18	243	192
Share premium		244,033	186,816
Accumulated deficit		(146,307)	(121,829)
Accumulated other comprehensive loss		(5,277)	(4,570)
Retained earnings	19	(151,584)	(126,399)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		92,692	60,609
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		109,852	73,849

The financial statements on pages 36 to 75 were approved by the Board of Directors and authorised for issue on 13 May 2016 and are signed on its behalf by:



Richard A Sandberg
Director
13 May 2016

OXFORD IMMUNOTEC GLOBAL PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Share capital	Share premium	Retained earnings	Total
	$000	$000	$000	$000
BALANCE AT 31 DECEMBER 2013	188	183,967	(103,403)	80,752
Exercise of share options	1	13	—	14
Share-based payment	—	2,521	—	2,521
Other comprehensive loss	—	—	(822)	(822)
Loss for the period	—	—	(22,174)	(22,174)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	1	2,534	(22,996)	(20,461)
Transactions with owners in their capacity as owners:				
Issuance of shares from option plan	3	(3)	—	—
Issuance of shares from exercise of warrants	—	318	—	318
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	3	315	—	318
BALANCE AT 31 DECEMBER 2014	192	186,816	(126,399)	60,609
Exercise of share options	1	19	—	20
Share-based payment	—	3,485	—	3,485
Other comprehensive loss	—	—	(707)	(707)
Loss for the period	—	—	(24,478)	(24,478)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	1	3,504	(25,185)	(21,680)
Transactions with owners in their capacity as owners:				
Issuance of shares in secondary offering	50	53,713	—	53,763
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	50	53,713	—	53,763
BALANCE AT 31 DECEMBER 2015	243	244,033	(151,584)	92,692

OXFORD IMMUNOTEC GLOBAL PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	2015	2014
	$000	$000
OPERATING ACTIVITIES		
Net loss	(24,478)	(22,174)
Adjustments for:		
Depreciation and amortisation	2,142	1,742
Intangible assets impairment charges	419	—
Share-based compensation expense	3,485	2,521
Change in fair value of contingent purchase price consideration	202	72
Loss on change in fair value of warrants	—	22
Loss on disposal of property and equipment	33	—
Operating cash flows before movement in working capital	(18,197)	(17,817)
Trade debtors, net	(416)	(2,311)
Stocks	(893)	(1,214)
Prepaid expenses and other assets	(898)	(594)
Trade creditors	1,363	(109)
Accrued liabilities	2,742	696
Deferred income	(250)	572
Net cash used in operating activities	(16,549)	(20,777)
INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(3,425)	(3,014)
Purchase of intangible fixed assets	(43)	(354)
Cash paid for acquisition, net of cash acquired	—	(1,716)
Proceeds on sales of property and equipment	34	—
Change in restricted cash	312	57
Net cash used in investing activities	(3,122)	(5,027)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	53,762	—
Proceeds from exercise of share options	17	14
Payments on loan	(122)	(165)
Net cash generated from (used in) financing activities	53,657	(151)
	33,986	(25,955)
Effect of exchange rate changes on cash at bank and in hand	(436)	(374)
NET INCREASE IN CASH AT BANK AND IN HAND	33,550	(26,329)
CASH AT BANK AND IN HAND AT BEGINNING OF YEAR (excluding restricted cash)	50,165	76,494
CASH AT BANK AND IN HAND AT END OF YEAR (excluding restricted cash)	83,715	50,165
Supplemental disclosures		
Cash paid for interest	41	50
Cash paid for taxes	50	115
Non-cash investing and financing activities		
Warrants liability reclassified to share premium upon exercise of warrants	—	318

BASIS OF PRESENTATION, ACCOUNTING PRINCIPLES AND PRINCIPLES OF CONSOLIDATION

On 2 October 2013, the Group completed a Scheme of Arrangement under the laws of England and Wales, or the Scheme of Arrangement, which was approved by the High Court of Justice in England and Wales. All holders of ordinary shares, preferred ordinary shares, options and warrants exchanged their interests in Oxford Immunotec Limited for identical interests in Oxford Immunotec Global PLC. As a result of this exchange, Oxford Immunotec Global PLC is now the parent company of Oxford Immunotec Limited.

On 31 July 2014, the Group acquired substantially all of the assets of Boulder Diagnostics, Inc. (Boulder), a privately owned company developing immunology-based assays for autoimmune and inflammatory conditions/diseases. The assets acquired primarily relate to assays for Lyme disease and gout and an assay to inform decisions regarding biologic therapies.

The Directors have elected to prepare Consolidated Financial Statements in accordance with accounting principles generally acceptable in the United States of America (U.S. GAAP) as permitted by Statutory Instrument 2012 No. 2405 *The Accounting Standards (Prescribed Bodies) (United States of America and Japan) Regulations 2012* (SI 2012 No 2405). The Directors' Report and Consolidated Financial Statements are also prepared in accordance with the Companies Act 2006.

The accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, and include the financial statements of Oxford Immunotec Global PLC, a company incorporated in England and Wales and its wholly-owned subsidiaries, collectively referred to as the Group. The financial statements include the results of Oxford Immunotec Limited and its consolidated subsidiaries for the period prior to the completion of the Scheme of Arrangement, as well as the results of Oxford Immunotec Global PLC and its consolidated subsidiaries for the period after completion of the Scheme of Arrangement. All intercompany accounts and transactions have been eliminated upon consolidation.

The Consolidated Financial Statements have been prepared for purposes of satisfying Companies Act 2006 requirements for entities domiciled in the U.K. The basis of preparation for these Consolidated Financial Statements is U.S. GAAP to the extent that the use of those principles does not contravene any provisions of the Companies Act 2006 or any regulations made there under as permitted by SO 2012 No 2405. The Group has mirrored the Consolidated Financial Statements and Notes thereto to the Form 10-K filed with SEC on 1 March 2016 to the extent that the Consolidated Financial Statements and Notes thereto contained in the Form 10-K do not contravene any provisions of the Companies Act 2006 or any regulations made there under as permitted by SI 2012 No 2405. Certain items contained in the Form 10-K for which there are SEC requirements and have no comparable requirement under the Companies Act 2006 have been removed.

The Consolidated Financial Statements include the accounts of Oxford Immunotec Global PLC and all controlled subsidiaries. All material intercompany accounts and transactions have been eliminated. The Consolidated Financial Statements as of 31 December 2015 and for the year ended 31 December 2015, include, in the opinion of management, all adjustments (consisting of normal recurring adjustments and reclassifications) necessary to present fairly the Group's consolidated balance sheet, income statement and cash flows for all periods presented. The Consolidated Financial Statements and the majority of the information in the Notes thereto have been reconciled to the Group's Annual Report on Form 10-K for the fiscal year ended 31 December 2015 filed with the U.S. Securities and Exchange Commission on 1 March 2016.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and that affect the reported amounts of turnover and expenditures during the reporting periods. Actual results could differ from those estimates and assumptions used.

FOREIGN CURRENCY TRANSLATION

The financial statements have been prepared in the functional currency for Oxford Immunotec Global PLC which is the U.S. Dollar. The functional currency for the Group's operating subsidiaries are the Pound Sterling for Oxford Immunotec Limited, the U.S. Dollar for Oxford Immunotec Inc., the Yen for Oxford Immunotec K.K., the Yuan for Oxford Immunotec (Shanghai) Medical Device Co. Ltd., the Euro for Boulder Diagnostics Europe GmbH and the Hong Kong Dollar for Oxford Immunotec Asia Limited. Turnover and expenses of foreign operations are translated into U.S. Dollars at the average rates of exchange during the year. Assets and liabilities of foreign operations are translated into U.S. Dollars at year-end rates. Sales in China are denominated in U.S. Dollars but these sales are made by our United Kingdom-based subsidiary where the Pound Sterling is the functional currency. As a result, these sales are subject to remeasurement into Pounds Sterling and then translation into U.S. Dollars when we consolidate our financial statements. The Group reflects resulting translation gains or losses in accumulated other comprehensive income, which is a component of shareholders' equity. The Group does not record tax provisions or benefits for the net changes in foreign currency translation adjustments, as the Group intends to permanently reinvest undistributed earnings in its foreign subsidiaries.

Realized foreign currency transaction gains or losses, arising from exchange rate fluctuations on balances denominated in currencies other than the functional currencies, are included in "Interest payable and similar charges" in the consolidated statements of operations. Unrealized foreign currency transaction gains or losses are included in "Administrative expenses" in the consolidated statements of operations.

The Pound Sterling exchange rate at 31 December 2015 was $1.48045/£.

TURNOVER RECOGNITION

Turnover includes both product turnover and service turnover.

The Group derives product turnover from the sale of its T-SPOT.*TB* diagnostic test kits and related accessories to a broad range of customers including hospitals, public health departments, commercial testing laboratories, importers and distributors.

Product turnover is generally paid directly by the customer and is recognized on an accrual basis when the following turnover recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) the product has been shipped or delivered in accordance with the shipping terms of the arrangement; (3) the price is fixed or determinable and known at time of shipment; and (4) collectability is reasonably assured.

No product return rights are extended to customers of the Group.

The Group derives service turnover from its diagnostic laboratories in the United States and in the United Kingdom where the Group performs its T-SPOT.*TB* test on samples sent by customers to its laboratory facilities.

Service turnover in the United Kingdom and turnover from direct bill customers in the United States are recognized on an accrual basis when the following turnover recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) when the diagnostic result has been delivered; (3) the price is fixed or determinable; and (4) collectability is reasonably assured. This service turnover is referred to as "direct-bill" sales because the Group receives payment directly from the ordering entity.

In the United States, the Group also generates turnover from payments that are received from a variety of third-party payers, including government programs (Medicare and Medicaid) and commercial insurance companies, each with different billing requirements. Turnover from tests paid by third-party payers is recognised on an accrual basis based on the Group's historical collection experience.

Taxes assessed by governmental authorities on turnover, including sales and value added taxes, are recorded on a net basis (excluded from turnover) in the consolidated statements of operations.

COST OF SALES

Cost of product sales consists primarily of costs incurred in the production process, including costs of raw materials and components, assembly labour and overhead, quality costs, royalties paid under licensing agreements, the U.S. medical device excise tax and packaging and delivery costs.

Cost of service sales consists primarily of costs incurred in the operation of the Group's diagnostic laboratories including labour and overhead, kit costs, quality costs, consumables used in the testing process and packaging and delivery costs.

SHIPPING AND HANDLING

The Group does not normally bill its service customers for shipping and handling charges. Charges relating to inbound and outbound freight costs are incurred by the Group and recorded within cost of service sales.

The Group generally bills product customers for shipping and handling and records the customer payments as product turnover. The associated costs are recorded as cost of product sales.

CASH AND CASH EQUIVALENTS

The Group maintains its available cash balances in cash, U.S. government money market funds, and bank savings accounts in the United States, United Kingdom, Germany, Japan, and Hong Kong. The Group maintains deposits in government insured financial institutions in excess of government insured limits. Management believes that the Group is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

RESTRICTED CASH

As of 31 December 2015 and 2014, U.S. bank balances totaling $nil and $0.3 million, respectively, were pledged as security for the Group's office and laboratory space operating leases.

As of 31 December 2015 and 2014, the Group had restricted cash in the amount of less than $0.1 million pledged as collateral for procurement cards issued by a U.S. commercial bank.

DEBTORS

Trade debtors are primarily amounts due from hospitals, public health departments, commercial testing laboratories, distributors and universities in addition to third-party payers such as commercial insurance companies and government programs (Medicare and Medicaid).

Trade debtors are reported net of a provision for uncollectible accounts. The process of estimating the collection of trade debtors involves significant assumptions and judgments. Specifically, the bad debt provision is based on management's analysis of current and past due accounts, collection experience and other relevant information. The Group's provision for uncollectible accounts is recorded as a bad debt expense and included in general and administrative expenses. Although the Group believes amounts provided are adequate, the ultimate amounts of uncollectible trade debtors could be in excess of the amounts provided.

STOCKS

Stocks consist of finished goods and raw materials. The Group does not maintain work in progress balances as the nature of the manufacturing process does not allow for test kits to be left in a partially manufactured state.

Stocks are removed at cost. Stocks are stated at the lower of cost or market. Cost is determined by the actual cost of components by batch plus estimated labour and overhead costs per unit. Market value is based on an estimated selling price less any costs expected to be incurred to completion and sale. The Group reviews the components of its stocks on a periodic basis for excess, obsolete or impaired stocks, and records a reserve for the identified items. At 31 December 2015 and 2014, the Group determined no stock reserve was required.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost. Tangible fixed assets includes specialised shipping containers provided to customers, in the United States, for transporting samples to its laboratory for testing. Tangible fixed assets financed under capital leases are initially recorded at the present value of minimum lease payments at the inception of the lease.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Tangible fixed assets under capital leases and leasehold improvements are amortised using the straight-line method over the shorter of the lease term or estimated useful life of the asset. Depreciable lives range from three to ten years for laboratory equipment, office equipment and furniture and fixtures and three years for software and specialised shipping containers.

IMPAIRMENT OF FIXED ASSETS

The Group evaluates its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may be impaired, and assesses their recoverability based upon anticipated future cash flows. If changes in circumstances lead the Group to believe that any of its long-lived assets may be impaired, the Group will (a) evaluate the extent to which the remaining book value of the asset is recoverable by comparing the future undiscounted cash flows estimated to be associated with the asset to the asset's carrying amount and (b) write-down the carrying amount to market value to the extent necessary.

BUSINESS COMBINATIONS

For acquisitions meeting the definition of a business combination, the Group allocates the purchase price, including any contingent consideration, to the assets acquired and the liabilities assumed at their estimated fair values as of the date of the acquisition with any excess of the purchase price paid over the estimated fair value of net assets acquired recorded as goodwill. The fair value of the assets acquired and liabilities assumed is typically determined by using either estimates of replacement costs or discounted cash flow valuation methods.

When determining the fair value of tangible assets acquired, the Group estimates the cost using the most appropriate valuation method with assistance from independent third party specialists. When determining the fair value of intangible assets acquired, the Group uses judgment to estimate the applicable discount rate, growth rates and the timing and amount of future cash flows. The fair value of assets acquired and liabilities assumed is typically determined by management using the assistance of independent third party specialists. The assumptions used in calculating the fair value of tangible and intangible assets represent the Group's best estimates. If factors change and the Group were to use different assumptions, valuations of tangible and intangible assets and the resulting goodwill balance related to the business combination could be materially different.

BUSINESS COMBINATIONS (CONTINUED)

The terms of the purchase agreement with Boulder included contingent purchase price consideration consisting of future potential milestone payments totaling up to $6.1 million at any time on or prior to 31 July 31 2024. The milestone payments consist of completion of studies related to acquired technologies, development of diagnostic test kits, patient enrollment in an Institutional Review Board approved study, issuance of patents, and approvals or clearances by the U.S. Food and Drug Administration. The fair value of future potential milestone payments was determined based upon a probability weighted analysis of expected future milestone payments to be made to the seller. This analysis includes significant management judgments related to the probabilities of success assigned to the milestones and to the discount rate utilized in the calculations.

GOODWILL AND INDEFINITE-LIVED INTANGIBLE ASSETS

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually, or when events or changes in the business environment indicate that all, or a portion, of the carrying value of the reporting unit may no longer be recoverable, using the two-step impairment review. Under this method, the Group compares the fair value of the goodwill to its carrying value. If the fair value is less than the carrying amount, a more detailed analysis is performed to determine if goodwill is impaired. An impairment loss, if any, is measured as the excess of the carrying value of goodwill over the fair value of goodwill. The Group also has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads it to determine that it is more likely than not (that is, a likelihood of more than 50%) that goodwill is impaired. If the Group chooses to first assess qualitative factors and it is determined that it is not more likely than not goodwill is impaired, it is not required to take further action to test for impairment. The Group also has the option to bypass the qualitative assessment and perform only the quantitative impairment test, which it may choose to do in some periods but not in others.

Indefinite-lived intangible assets

The Group's indefinite-lived intangible assets consist of acquired in-process research and development, or IPR&D, related to the Group's business combination with Boulder, which were recorded at fair value on the acquisition date. IPR&D intangible assets are considered indefinite-lived intangible assets until completion or abandonment of the associated research and development efforts. IPR&D is not amortised but is reviewed for impairment at least annually, or when events or changes in the business environment indicate the carrying value may be impaired. If the fair value of the intangible asset is less than the carrying amount, the Group performs a quantitative test to determine the fair value. The impairment loss, if any, is measured as the excess of the carrying value of the intangible asset over its fair value. The Group also has the option to first assess qualitative factors to determine whether the existence of events or circumstances leads it to determine that it is more likely than not (that is, a likelihood of more than 50%) that its indefinite-lived intangible asset is impaired. If the Group chooses to first assess qualitative factors and it is determined that it is not more likely than not its indefinite-lived intangible asset is impaired, it is not required to take further action to test for impairment. The Group also has the option to bypass the qualitative assessment and perform only the quantitative impairment test, which it may choose to do in some periods but not in others.

The determinations as to whether, and, if so, the extent to which, acquired IPR&D become impaired are highly judgmental and based on significant assumptions regarding the projected future financial condition and operating results, changes in the manner of the use and development of the acquired assets, the Group's overall business strategy, and regulatory, market and economic environment and trends.

DEFINITE-LIVED INTANGIBLE ASSETS

Intangible assets include technology licenses which are capitalized and amortised over estimated useful lives (generally in the range of five to ten years) using the straight-line method. On an ongoing basis, the Group assesses the recoverability of its intangible assets by determining its ability to generate undiscounted future cash flows sufficient to recover the unamortised balances over the remaining useful lives. Intangible assets determined to be unrecoverable are expensed in the period in which the determination is made.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not use derivative instruments to hedge exposures to cash flow, market, interest rate or foreign currency risks.

The Group reviews the terms of the shares and warrants it issues and its convertible promissory notes to determine whether there are embedded derivative instruments, including embedded conversion options, which are required to be bifurcated and accounted for separately as derivative financial instruments. In circumstances where the host instrument contains more than one embedded derivative instrument, including the conversion option, that is required to be bifurcated, the bifurcated derivative instruments are accounted for as a single, compound derivative instrument.

Bifurcated embedded derivatives are initially recorded at fair value and are then revalued at each reporting date with changes in the fair value reported as other income or expense. When equity instruments contain embedded derivative instruments that are to be bifurcated and accounted for as liabilities, the total proceeds received are first allocated to the fair value of all the bifurcated derivative instruments. The remaining proceeds, if any, are then allocated to the host instruments themselves, usually resulting in those instruments being recorded at a discount from their face value.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group measures certain financial assets and liabilities at fair value based on the price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. As of 31 December 2015 and 2014, the Group's financial instruments consist of cash and cash equivalents, trade debtors, prepaid expenses, and other creditors, accrued liabilities, and loans payable. See Note 13, "Fair value measurement," to these consolidated financial statements for further information on the fair value of the Group's financial instruments.

RESEARCH AND DEVELOPMENT EXPENSES

Expenditure on research activities is recognised as an expense and charged to the income statement in the period in which it is incurred.

Research and development expenses include all costs associated with the development of the Group's T-SPOT technology platform and potential future products including new diagnostic tests that utilize the T-SPOT technology platform and are charged to expense as incurred. In addition, with the acquisition of Boulder in the third quarter of 2014, the Group has expanded its research efforts to include assays for Lyme disease and gout and an assay to inform decisions regarding biologic therapies. Research and development expenses include direct costs and an allocation of indirect costs, including amortisation, depreciation, rent, supplies, insurance, and repairs and maintenance.

RESTRUCTURING CHARGES

For restructuring plans meeting all of the applicable criteria of ASC 420, *Exit or Disposal Cost Obligations*, one time termination benefits will be recognized if no future service is required of former employees. Costs associated with the termination of contracts before the end of their term, where costs will continue to be incurred without economic benefit to the entity, will be recognized as liabilities and initially measured at fair value on the date the contract is terminated or when the Group is no longer using the rights conveyed under the contract. Liabilities for other costs associated with restructuring plans will be recognized in the period they were incurred (generally upon receipt of the goods or services). Restructuring charges will be included in the appropriate operating expense category in the Group's consolidated statements of operations.

TAXATION

The Group accounts for income taxes under the asset and liability method, which requires, among other things, that deferred income taxes be provided for temporary differences between the tax basis of the Group's assets and liabilities and its financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing net operating losses and research and development credit carry forwards. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Group adheres to the accounting guidance for uncertainties in income taxes, which prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken, or expected to be taken, in a tax return. The Group accrues for the estimated amount of taxes for uncertain tax positions if it is more likely than not that the Group would be required to pay such additional taxes. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. The Group does not have any accrued interest or penalties associated with any unrecognized tax positions for the years ended 31 December 2015 and 2014.

SHARE-BASED PAYMENTS

The Group accounts for share-based remuneration arrangements with employees, officers and Directors by recognizing compensation expense based on the grant date fair value of share-based transactions in the consolidated financial statements.

Share-based remuneration costs for options are based on the fair value of the underlying option calculated using the Black-Scholes option-pricing model on the date of grant for share options and recognized as expense on a straight-line basis over the requisite service period. Determining the appropriate fair value model and related assumptions requires judgment, including estimating share price volatility, expected term and forfeiture rates. The expected volatility rates are estimated based on the actual volatility of comparable public companies over a historical period equal in length to the expected term. The expected terms represent the average time that options are expected to be outstanding based on the midpoint between the vesting date and the end of the contractual term of the award. Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. The Group has not paid dividends and does not anticipate paying cash dividends in the foreseeable future and, accordingly, uses an expected dividend yield of zero. The risk-free interest rate is based on the rate of U.S. Treasury securities with maturities consistent with the estimated expected term of the awards.

Share-based compensation expense for restricted shares and restricted share units, or RSUs, is calculated based on the grant date market price of the shares and is also amortised on a straight-line basis over the requisite service period of the awards.

The cumulative expense recognized for share-based transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period. No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity award are modified, the minimum expense recognized is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based compensation, or is otherwise beneficial to the employee as measured at the date of modification.

SHARE-BASED PAYMENTS (CONTINUED)

Where a share-based compensation award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Upon exercise, share options are redeemed for newly issued ordinary shares.

SEGMENT REPORTING

The Group operates in one operating segment. The Group's chief operating decision maker (the CODM), its chief executive officer, manages the Group's operations on an integrated basis for the purposes of allocating resources. When evaluating the Group's financial performance, the CODM reviews separate turnover information for the Group's product and service offerings and for each country, while all other financial information is on a combined basis. While the Group's principal operations and decision-making functions are located in both the United States and United Kingdom, the CODM makes decisions on a global basis. Accordingly, the Group has determined that it operates in a single reporting segment.

BASIC AND DILUTED NET LOSS PER ORDINARY SHARE

Earnings or net loss attributable to ordinary shareholders for the period, after deduction of preferred ordinary share preferences, are allocated between the ordinary shareholders and preferred ordinary shareholders based on their respective rights to receive dividends. Basic and diluted net loss per ordinary share is determined by dividing net loss applicable to ordinary shareholders by the weighted-average number of ordinary shares outstanding during the period. As the Group reports net losses, outstanding share options, warrants and preferred ordinary shares, have not been included in the calculation of diluted net loss attributable to ordinary shareholders per share because to do so would be anti-dilutive. Accordingly, the numerator and the denominator used in computing both basic and diluted net loss per share for each period are the same. Since the Group's participating preferred ordinary shares were not contractually required to share in the Group's losses, in applying the two-class method to compute basic net loss per share, no allocation was made to preferred ordinary shares if a net loss existed. Prior period share and per share amounts have been adjusted to reflect the reverse share split.

ORDINARY SHARE WARRANT POLICY

Warrants to purchase the Group's ordinary shares are classified as equity unless otherwise required. Warrants issued with a down round provision, whereby the exercise price would be adjusted downward in the event that additional ordinary shares of the Group or securities exercisable, convertible or exchangeable for the Group's ordinary shares are issued at a price less than the exercise price, and are recorded as a liability and marked to market each reporting period until they are exercised, expire or otherwise extinguished. Changes in the liability during each reporting period are recorded in other (expense) income.

RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, 2014-09, *Revenue from Contracts with Customers*, or ASU 2014-09, which converges the FASB and the International Accounting Standards Board standards on revenue recognition. Under ASU 2014-09, a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This guidance will be effective for the Group for annual and interim periods beginning after 15 December 2017. Early adoption is permitted for annual and interim periods beginning after 15 December 2016. The guidance allows for either "full retrospective" adoption, meaning the standard is applied to all of the periods presented, or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements. The Group is currently evaluating ASU 2014-09 and has not yet determined how it may impact the Group's financial position or results of operations and related disclosures.

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements - Going Concern*, or ASU 2014-15. ASU 2014-15 will be effective for fiscal years and interim periods beginning after 15 December 2016 and early application is permitted. ASU 2014-15 requires that management evaluate at each annual and interim reporting period whether there is a substantial doubt about an entity's ability to continue as a going concern within one year of the date that the financial statements are issued. The Group does not expect that the application of ASU 2014-15 will have an impact on the presentation of its results of operations, financial position or disclosures.

In November 2014, the FASB issued ASU 2014-16, *Derivatives and Hedging*, or ASU 2014-16. The objective of ASU 2014-16 is to eliminate the existing diversity in practice in accounting for hybrid financial instruments issued in the form of a share. A hybrid financial instrument consists of a "host contract" into which one or more derivative terms have been embedded. ASU 2014-16 requires an entity to consider the terms and features of the entire financial instrument, including the embedded derivative features, in order to determine whether the nature of the host contract is more akin to debt or to equity. ASU 2014-16 is effective for fiscal years and interim periods beginning after 15 December 15, with early adoption permitted. A reporting entity should apply ASU 2014-16 using a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the annual period of adoption. Retrospective application is permitted to all relevant prior periods. The adoption of ASU 2014-16 on 1 January 2015 had no impact on the Group's presentation of its results of operations, financial position or disclosures.

In January 2015, the FASB issued ASU 2015-01, *Income Statement—Extraordinary and Unusual Items*, or ASU 2015-01. ASU 2015-01 eliminates from U.S. GAAP the concept of extraordinary items. However, the presentation and disclosure guidance for items that are unusual in nature or occur infrequently will be retained and will be expanded to include items that are both unusual in nature and infrequently occurring. The amendments in ASU 2015-01 are effective for fiscal years, and interim periods within those fiscal years, beginning after 15 December 15. A reporting entity may apply the amendments prospectively. A reporting entity also may apply the amendments retrospectively to all prior periods presented in the financial statements. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. The adoption of ASU 2015-01 on 1 January 2015 had no impact on the Group's presentation of its results of operations, financial position or disclosures.

In April 2015, the FASB issued ASU 2015-05, *Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*, or ASU 2015-05. ASU 2015-05 amends existing accounting guidance to provide explicit guidance related to a customer's accounting for fees paid in a cloud computing arrangement. Under the guidance, cloud computing arrangements that include a software license would be accounted for consistent with the acquisition of other software licenses. Conversely, cloud computing arrangements that do not include a software license would be accounted for as a service contract. This guidance will be effective for the Group for annual and interim periods beginning after 15 December 2015 and early adoption is permitted. The Group does not expect that the application of ASU 2015-05 will have an impact on the presentation of its results of operations, financial position or disclosures.

In July 2015, the FASB issued ASU 2015-11, *Simplifying the Measurement of Inventory*, or ASU 2015-11. ASU 2015-11 requires that an entity should measure inventory within the scope of ASU 2015-11 at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This guidance will be effective for the Group for annual and interim periods beginning after 15 December 2016. The amendments in ASU 2015-11 are to be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Group does not expect that the application of ASU 2015-11 will have a material impact on the presentation of its results of operations, financial position or disclosures.

In November 2015, the FASB issued ASU 2015-17, *Income Taxes: Balance Sheet Classification of Deferred Taxes*, or ASU 2015-17. ASU 2015-17 eliminates the requirement to bifurcate deferred taxes between current and non-current on the balance sheet and requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The amendments for ASU 2015-17 can be applied retrospectively or prospectively and early adoption is permitted. In the fourth quarter of 2015, the Group elected to early adopt ASU 2015-17. The Group does not expect ASU 2015-17 to have a material impact on the presentation of our financial position or disclosures.

RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Under the U.S. Jumpstart our Business Startups Act, or the JOBS Act, emerging growth companies that become public can delay adopting new or revised accounting standards until such time as those standards apply to private companies. The Group irrevocably elected not to avail itself of this exemption from new or revised accounting standards and, therefore, it is subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

CONCENTRATION OF RISKS

The Group derives product turnover from the sale of its T-SPOT.*TB* diagnostic test kits and related accessories to a broad range of customers including: hospitals, public health departments, commercial testing laboratories, importers and distributors. Importers and distributors sell to third parties including end-user customers in specific territories.

In the year ended 31 December 2015, the Group had two product customers that represented more than 10% of the Group's annual turnover. The Group's Chinese distributor, Shanghai Fosun Long March Medical Science Co. Ltd., or Fosun, represented 18% of annual turnover and the Group's Japanese importer, Riken Genesis Co., Ltd. represented 12% of annual turnover. The loss of either of these product customers could have a material impact on the Group's operating results.

1 CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES

We have prepared our consolidated financial statements in accordance with U.S. GAAP. Our preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, expenses and related disclosures at the date of the consolidated financial statements, as well as turnover and expenses during the reporting periods. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could therefore differ materially from these estimates under different assumptions or conditions.

We believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our financial statements.

TURNOVER RECOGNITION AND TRADE DEBTORS

We derive turnover from the sale of our T-SPOT.*TB* diagnostic test to a broad range of customers including hospitals, public health departments, commercial testing laboratories, importers and distributors. We offer our T-SPOT.*TB* test in either an in vitro diagnostic kit or a service format.

Turnover from tests is generally paid directly by the customer and is recognized on the accrual basis when the following turnover recognition criteria are met: (1) persuasive evidence that an arrangement exists; (2) the kit has been shipped or delivered or, in the case of tests performed in our laboratory, when final results have been reported to the customer; (3) the price is fixed or determinable; and (4) collectability is reasonably assured.

In the United States, we also generate turnover from payments that are received from a variety of third-party payors, including government programs (Medicare and Medicaid) and commercial insurance companies, each with different billing requirements. Turnover from tests paid by third-party payors is recognized on an accrual basis based on our historical collection experience.

Trade debtors are primarily amounts due from hospitals, public health departments, commercial testing laboratories, distributors and universities in addition to third party payors such as commercial insurance companies (including managed care organizations), government programs (Medicare and Medicaid in the United States) and individual patients.

Trade debtors are reported net of a provision for uncollectible accounts. The process of estimating the collection of trade debtors involves significant assumptions and judgments. Specifically, the provision for bad debt is based on management's analysis of current and past due accounts, collection experience in relation to amounts billed, channel mix, any specific customer collection issues that have been identified and other relevant information. Our provision for uncollectible accounts is recorded as bad debt expense and included in general and administrative expenses. Although we believe amounts provided are adequate, the ultimate amounts of uncollectible trade debtors could be in excess of the amounts provided.

INCOME TAXES

We account for income taxes under the asset and liability method, which requires, among other things, that deferred income taxes be provided for temporary differences between the tax basis of our assets and liabilities and their financial statement reported amounts. In addition, deferred tax assets are recorded for the future benefit of utilizing NOLs and research and development credit carry forwards. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realised.

1 CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES (CONTINUED)

INCOME TAXES (CONTINUED)

We follow the accounting guidance for uncertainties in income taxes, which prescribes a recognition threshold and measurement process for recording uncertain tax positions taken, or expected to be taken, in a tax return in the financial statements. Additionally, the guidance also prescribes the derecognition, classification, accounting in interim periods and disclosure requirements for uncertain tax positions. We accrue for the estimated amount of taxes for uncertain tax positions if it is more likely than not that we would be required to pay such additional taxes. An uncertain tax position will not be recognized if it has less than a 50% likelihood of being sustained. We did not have any accrued interest or penalties associated with any unrecognized tax positions, and there were no such interest or penalties recognized during the years ended 31 December 2015 and 2014.

SHARE-BASED COMPENSATION

Share-based compensation relates to grants of options to purchase ordinary shares and restricted shares. Currently, we maintain one share incentive plan pursuant to which we may grant options to purchase our ordinary shares, restricted shares, restricted share units, and other share-based awards to our employees, directors and officers. This incentive plan is called the Oxford Immunotec Global PLC 2013 Share Incentive Plan, or the 2013 Plan. In addition, we maintain the 2008 Amended and Restated Stock Incentive Plan, or the 2008 Plan. No new share grants or awards will be made under the 2008 Plan.

We measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model, including the expected life of the award, volatility and dividend yield, and making certain assumptions about the award. We describe the assumptions and models that we use to estimate the fair value for share-based payment transactions in Note 20 to these financial statements.

We use the Black-Scholes option pricing model to value the share option awards. The Black-Scholes option pricing model requires the input of subjective assumptions, including assumptions about the expected life of share-based payment awards and share price volatility. In addition, when we were a private Group, one of the most subjective inputs into the Black-Scholes option pricing model was the estimated fair value of our ordinary shares. Due to the lack of an adequate history of a public market for the trading of our ordinary shares and a lack of adequate Group specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. For these analyses, we have selected companies with comparable characteristics to ours including enterprise value, risk profiles, position within the industry, and with historical share price information sufficient to meet the expected life of the share-based awards. We compute the historical volatility data using the daily closing prices for the selected companies' shares during the equivalent period of the calculated expected term of our share-based awards. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own share price becomes available.

We determine the expected term for share option grants to employees based on the “simplified” method prescribed under Staff Accounting Bulletin Topic 14: Share-based Payments. Under this approach, the weighted-average expected life is presumed to be the average of the vesting term and the contractual term of the option. The risk-free interest rate is a weighted-average assumption equivalent to the expected term based on the United States Treasury yield curve in effect as of the date of grant. The assumptions used in calculating the fair value of the share-based payment awards represent our best estimate and involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use different assumptions, share-based compensation expense could be materially different in the future.

1 CRITICAL ACCOUNTING POLICIES AND SIGNIFICANT JUDGMENTS AND ESTIMATES (CONTINUED)

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or for any other contractually narrow or limited purpose.

2. TURNOVER

Geographical analysis:

	2015	2014
	$000	$000
United States	31,362	22,537
Europe and Rest of the World	7,067	7,219
Asia	24,353	19,749
	62,782	49,505

3. INTEREST PAYABLE

	2015	2014
	$000	$000
Bank interest	67	52
Debt warrants change in fair value	—	22
Exchange loss on foreign currency transactions	175	253
	242	327

4. OPERATING LOSS

	2015	2014
	$000	$000
This is stated after charging:		
Depreciation of tangible fixed assets	2,050	1,683
Research and development	11,002	7,033
Amortisation of intangible assets	92	43
Exchange losses on foreign currency transactions	143	352
Operating lease rentals – other	694	592

Amounts payable to Ernst & Young LLP and its associates in respect of both audit and non-audit services are as follows:

	2015	2014
	$000	$000
Audit services		
- Statutory audit of parent and consolidated accounts	727	704
Audit-related assurance services	—	—
Taxation compliance services	—	23
Other services supplied pursuant to legislation	—	1
	727	728

4 OPERATING LOSS (CONTINUED)

In accordance with U.K. Law requirements, the audit fee disclosures relate to audit expenses for the current year audit. This disclosure is different from the amount charged in the income statement due to the use of U.S. GAAP accounting for the preparation of the income statement.

The figures presented are for Oxford Immunotec Global PLC and subsidiaries as if they were a single entity. Oxford Immunotec Global PLC has taken the exemption permitted by SI 11/2198 to omit information about its individual accounts.

5. EMPLOYEES

	2015	2014
The average monthly number of persons employed by the group during the year was:		
Administration and distribution	213	171
Research	47	30
	260	201

EMPLOYMENT COSTS	2015 $000	2014 $000
Wages and salaries	32,475	21,046
Social security costs	2,170	1,556
Other pension costs	680	508
	35,325	23,110

6. DIRECTORS' EMOLUMENTS

	2015 $000	2014 $000
Emoluments	1,016	807
Group pension contributions to money purchase schemes	30	28
	1,046	835
The number of Directors for whom retirement benefits are accruing under defined contribution scheme was:	1	1

Ms Patricia Randall received an initial option award covering 14,914 ordinary shares and an annual option award covering 7,457 ordinary shares on 12 June 2014 and Mr James R Tobin received an initial option award covering 14,914 ordinary shares and an annual option award covering 7,457 ordinary shares on 1 December 2014.

Mr Ronald Andrews Jr. received an initial option award covering 14,914 ordinary shares and an annual option award covering 7,457 ordinary shares on 4 November 2015 and Mr A Scott Walton received an initial option award covering 14,914 ordinary shares and an annual option award covering 7,457 ordinary shares on 4 November 2015.

7. TAXATION

	2015	2014
	$000	$000
CORPORATION TAX		
Foreign tax		
Japan	116	119
State	30	35
	146	154
CURRENT TAX CHARGE	146	154
DEFERRED TAX		
Deferred tax charge/(credit) current year	—	—
Tax on ordinary activities	146	154

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The Group's effective income tax rate differs from the statutory domestic (United Kingdom) income tax rate as follows for the years ended 31 December:

	2015	2014
	%	%
Income tax rate	20.3	21.5
U.K. research and development credit	1.3	1.7
Other	(1.1)	(1.2)
Effect of foreign tax rate differential	10.7	17.9
Valuation allowance	(31.7)	(40.6)
Effective income tax rate	(0.5)	(0.7)

The Group is headquartered in the United Kingdom and the effective U.K. corporate tax rate for the year ended 31 December 2015 was 20.3%. For the year ended 31 December 2014 the corporate tax rate was 21.5%. The U.S. federal corporate tax rate was 34% for the years ended 31 December 2015 and 2014.

7 TAXATION (CONTINUED)

Significant components of the Group's deferred tax assets are as follows for the years ended 31 December:

	2015	2014
	$000	$000
Deferred tax assets		
Long term deferred tax assets:		
U.S. federal net operating losses	32,095	24,136
State net operating loss (net of federal)	4,021	3,001
U.S. federal research and development credit	155	110
U.K. net operating loss	5,217	7,800
Share options	1,251	567
Accrued liabilities	177	97
Other	160	78
Short term deferred tax assets:		
Accrued liabilities	—	—
Other assets	—	—
Total deferred tax assets	43,076	35,789
Valuation allowance	(43,076)	(35,361)
Total deferred tax assets	—	428
Deferred tax liabilities		
Long term deferred tax liabilities:		
Other assets	—	(428)
Total deferred tax liabilities	—	(428)

For the years ended 31 December 2015 and 2014, the Group had United Kingdom Net Operating Losses (U.K. NOLs) of $29.0 million and $39.0 million, respectively. U.S. federal net operating loss carryforwards for the years ended 31 December 2015 and 2014 were $95.5 million and $71.9 million, respectively. U.S. State net operating loss carryforwards for the years ended 31 December 2015 and 2014 were $85.8 million and $63.6 million, respectively. The federal and state NOLs include approximately $1.1 million of deductions related to the exercise of stock options subsequent to the adoption of ASC 718, "Stock Compensation." This amount represents an excess tax benefit as defined under ASC 718 and has not been included in the gross deferred tax asset reflected for NOLs.

The U.S. federal and state net operating loss carry forwards begin to expire in 2027 and 2017, respectively and the U.K. NOLs can be carried forward indefinitely.

For financial reporting purposes, a valuation allowance has been recognized to offset the deferred tax assets related to the carry forwards. The utilization of the loss carry forwards to reduce future income taxes will depend on the Group's ability to generate sufficient taxable income prior to the expiration of the loss carryforwards. To date the Group has incurred significant operating losses. In addition, the maximum annual use of net operating losses and research credit carryforwards is limited in certain situations where changes occur in stock ownership.

7. TAXATION (CONTINUED)

The below table reflects the roll forward of the Group's valuation allowance.

Significant components of the Group's deferred tax assets are as follows for the years ended 31 December:

	2015	2014
	$000	$000
As at 1 January	35,361	26,413
Increase in valuation allowance	7,715	8,948
As at 31 December	43,076	35,361

The Group reviewed its historical tax filings and tax positions and has determined no material uncertain tax positions exist at 31 December 2015 and 2014. The Group continues to monitor its tax filings and positions.

The Group generates research and development credits in the United Kingdom which are refundable if a current year loss is incurred. For the years ended 31 December 2015 and 2014, no such amounts were reimbursed for research and development tax credits.

8. INTANGIBLE FIXED ASSETS

	In-process research and development	Goodwill	Intellectual property	Total
	$000	$000	$000	$000
COST				
As at 1 January 2015	2,399	50	828	3,277
Additions	—	—	43	43
Impairment losses	(385)	—	(34)	(419)
Exchange adjustment	(232)	(5)	(63)	(300)
As at 31 December 2015	1,782	45	774	2,601
AMORTISATION				
As at 1 January 2015	—	—	555	555
Charge for the year	—	—	92	92
Exchange adjustment	—	—	(52)	(52)
As at 31 December 2015	—	—	595	595
NET BOOK VALUE				
As at 31 December 2014	2,399	50	273	2,722
As at 31 December 2015	1,782	45	179	2,006

The Group acquired in-process research and development (IPR&D) and recorded goodwill in conjunction with the Boulder acquisition (see Note 25 – Acquisition activity for more information).

The Group's definite-lived intangible assets include in-licensed intellectual property, principally technology licenses. During the year ended 31 December 2013, the Group capitalized a $0.2 million fee related to the assignment of certain patents to it by Isis Innovation Limited (Isis) in November 2013. The licenses are being amortised over the estimated remaining useful lives of the underlying license agreements, which range from 3 to 9 years. The Group recorded amortisation expense of $92,000 and $43,000 for the years ended 31 December 2015 and 2014, respectively.

9. TANGIBLE FIXED ASSETS

	Laboratory equipment	Leasehold improvements	Office equipment, furniture and fixtures	Software	Specialised shipping containers	Total
	$000	$000	$000	$000	$000	$000
COST						
As at 1 January 2015	3,086	2,610	2,602	1,066	1,060	10,424
Exchange adjustment	(93)	(61)	(46)	(19)	—	(219)
Additions	2,117	265	286	125	1,147	3,940
Disposals	(37)	—	(1)	—	(31)	(69)
As at 31 December 2015	5,073	2,814	2,841	1,172	2,176	14,076
DEPRECIATION						
As at 1 January 2015	1,782	1,390	1,591	600	524	5,887
Exchange adjustment	(7)	(48)	(37)	(52)	—	(144)
Charge for the period	598	282	497	245	428	2,050
Disposals	—	—	(1)	—	—	(1)
As at 31 December 2015	2,373	1,624	2,050	793	952	7,792
NET BOOK VALUE						
As at 31 December 2014	1,304	1,220	1,011	466	536	4,537
As at 31 December 2015	2,700	1,190	791	379	1,224	6,284

For the years ended 31 December 2015 and 2014, the Group recorded depreciation expense of $2.1million and $1.8 million, respectively. Depreciation expense includes amortisation of capital leases.

Depreciable lives range from three to ten years for laboratory equipment, office equipment, leasehold improvements and furniture and fixtures and three years for software and specialised shipping containers.

For the years ended 31 December 2015 and 2014, there were no material capital leases, disposals or retirements.

10. STOCKS

	2015	2014
	$000	$000
Raw materials	3,925	3,605
Finished goods	3,174	2,820
	7,099	6,425

11. CURRENT ASSET INVESTMENTS

	2015	2014
	$000	$000
Unlisted investments	18	30

12. CASH AT BANK AND IN HAND

	2015	2014
	$000	$000
Restricted cash, current	—	200
Restricted cash, non-current	80	192
Total restricted cash	80	392
Cash and cash equivalents	83,715	50,165
	83,795	50,557

13. FAIR VALUE MEASUREMENT

As a basis for determining the fair value of certain of the Group's financial instruments, the Group utilizes a three-tier value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs, other than Level I prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

This hierarchy requires the Group to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The carrying amount of certain of the Group's financial instruments, including cash, trade debtors, prepaid expenses and other assets, trade creditors, and accrued liabilities approximate fair value due to their short maturities.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Group's assessment of the significance of a particular input to the entire fair value measurement requires management to make judgments and consider factors specific to the asset or liability.

The following tables present information about the balances of liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques it utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates, and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The Group did not have any financial assets measured at fair value on a recurring basis.

13. FAIR VALUE MEASUREMENT (CONTINUED)

		Fair Value Measurements at 31 December 2015 Using		
	31 December 2015	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Input
		(Level 1)	(Level 2)	(Level 3)
	$000	$000	$000	$000
Liabilities:				
Contingent purchase price consideration	1,293	—	—	1,293
Total	1,293	—	—	1,293

		Fair Value Measurements at 31 December 2014 Using		
	31 December 2014	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Input
		(Level 1)	(Level 2)	(Level 3)
	$000	$000	$000	$000
Liabilities:				
Contingent purchase price consideration	1,218	—	—	1,218
Total	1,218	—	—	1,218

In May 2013, the Group entered into a loan and security agreement with Square 1 Bank that provided for an initial borrowing of $6.0 million and, subject to the achievement of certain turnover milestones, the ability to borrow an additional $1.0 million in January 2014. The Group also received access to a $5.0 million revolving line of credit. The Group concurrently issued a warrant to purchase up to 15,791 ordinary shares of the Group at an exercise price of $0.80 per share. Due to the lack of market quotes relating to the Group's ordinary share warrants, the fair value of the warrants was determined using the Black-Scholes model, which is based on Level 3 inputs. In December 2013, the Group repaid the loan in full and canceled the line of credit.

In April 2014, Square 1 Bank converted its warrant and received 15,148 ordinary shares of the Group, in accordance with a formula stated in the warrant agreement. Prior to the warrant conversion, the fair value of the warrant was adjusted to its fair value at the date of exercise of $318,000, with the loss on change in fair value recorded in the statement of operations. The liability for the warrant on conversion was then reclassified to additional paid-in capital.

On 31 July 2014, the Group acquired substantially all of the assets of Boulder, a privately owned company developing immunology-based assays for rheumatology and infectious diseases. The terms of the purchase agreement included contingent purchase price consideration consisting of future potential milestone payments totaling up to $6.1 million at any time on or prior to 31 July 2024. The milestone payments consist of completion of studies related to acquired technologies, development of diagnostic test kits, patient enrollment in an Institutional Review Board approved study, issuance of patents, and approvals or clearances by the U.S. Food and Drug Administration. The fair value of future potential milestone payments was determined based upon a probability weighted analysis of expected future milestone payments to be made to the seller, which are considered as Level 3 inputs.

13. FAIR VALUE MEASUREMENT (CONTINUED)

The following tables provide a summary of changes in the fair value of the Group's Level 3 financial liabilities for the years ended 31 December:

	2015
	$000
Balance at 1 January 2015	1,218
Change in fair value of contingent purchase price consideration	202
Foreign currency adjustment	(127)
Balance at 31 December 2015	1,293

	2014
	$000
Balance at 1 January 2014	296
Change in fair value of warrant liability	22
Reclassification of liability to additional paid-in capital upon exercise of warrants	(318)
Contingent purchase price consideration	1,247
Change in fair value of contingent purchase price consideration	72
Foreign currency adjustment	(101)
Balance at 31 December 2014	1,218

14. TRADE DEBTORS

	2015	2014
	$000	$000
Trade debtors consists of the following:		
Trade debtors	7,372	6,937
Less allowance for uncollectible trade debtors	(314)	(114)
	7,058	6,823
Activity for the allowance for uncollectible trade debtors is as follows:		
Balance at beginning of period	(114)	(165)
Provision for bad debt expense	(200)	—
Write-off, net of recoveries	—	51
Balance at end of period	(314)	(114)

15. TRADE AND OTHER CREDITORS

	2015	2014
	$000	$000
Trade creditors	3,799	2,368
Accrued liabilities	8,588	6,025
Other creditors	1,361	1,045
	13,748	9,438

Accrued liabilities and other creditors are as follows:

Employee related expenses	4,478	3,348
Royalties	3,498	2,458
Clinical trials	442	—
Professional services	333	323
Sales and use taxes payable	193	1
Stock	85	88
Rent	56	196
Other accrued liabilities	864	656
	9,949	7,070

16. NON-CURRENT LIABILITIES

	2015	2014
	$000	$000
Long-term portion of loans payable	386	454
Other liabilities	1,293	1,218
	1,679	1,672

17. RETIREMENT BENEFITS

In the United States, the Group has adopted a defined contribution plan (the U.S. Plan) which qualifies under Section 401(k) of the Internal Revenue Code. All U.S. employees of the Group who have attained 21 years of age are eligible for participation in the U.S. Plan upon employment. The effective date of the U.S. Plan was January 1, 2008. Under the U.S. Plan, participating employees may defer up to the Internal Revenue Service annual contribution limit. The Group has not historically matched employee contributions.

In the United Kingdom, the Group has adopted a defined contribution plan (the U.K. Plan) which qualifies under the rules established by HM Revenue & Customs. The U.K. Plan allows all U.K. employees to contribute a minimum of 5% of salary with no maximum limit. The contribution is matched by the Group, up to a maximum of 5% of salary. The Group paid to the U.K. Plan $0.7 million in matching contributions in the year ended 31 December 2015 and $0.5 million in year ended 31 December 2014.

18. SHARE CAPITAL

	2015	2014
	$000	$000
ALLOTTED		
Ordinary shares, £0.006705 nominal value; 36,183,293 and 40,103,528 shares authorised at 31 December 2015 and 2014, respectively, 22,549,488 and 17,614,650, shares issued and outstanding at 31 December 2015 and 2014, respectively	243	192

	Ordinary Shares
	$000
Balance at 31 December 2013	188
Exercise of share options	1
Issuance of shares from option plan	3
Balance at 31 December 2014	192
Exercise of share options	1
Issuance of shares in secondary offering	50
Balance at 31 December 2015	243

As of 31 December 2015, the Group had 22,549,488 ordinary shares outstanding, including 253,740 restricted shares. In addition, there were a total of 2,425,426 options and 112,999 restricted share units outstanding as of 31 December 2015.

Ordinary shares

On January 29, 2015, the Group entered into an underwriting agreement, or the Underwriting Agreement, with J.P. Morgan Securities LLC and Piper Jaffray & Co., as representatives of the several underwriters named therein, collectively, the Underwriters, relating to the public offering, or the Offering, of 4,255,319 ordinary shares, nominal value £0.006705, or the Shares, at an offering price to the public of $11.75 per Share, or the Offering Price. The Underwriters agreed to purchase the Shares from the Group pursuant to the Underwriting Agreement at a price of $11.045 per share. Under the terms of the Underwriting Agreement, the Group granted the Underwriters a 30-day option to purchase up to an additional 638,297 Shares, or the Option Shares, at the Offering Price, less underwriting discounts and commissions. On January 30, 2015, the Underwriters exercised their option to purchase the Option Shares in full. The gross proceeds to the Group from the sale of the Shares and the Option Shares were approximately $57.5 million and the Group received net proceeds of approximately $53.8 million after deducting underwriting discounts and commissions and estimated aggregate offering expenses payable by the Group. The Offering closed on February 4, 2015.

As of 31 December 2015, there were 36,183,293 ordinary shares authorized and 22,549,488 ordinary shares issued and outstanding.

19. RETAINED EARNINGS

	Accumulated deficit	Accumulated other Comprehensive (loss)/income	Total
	$000	$000	$000
Balance at 31 December 2013	(99,655)	(3,748)	(103,403)
Other comprehensive loss	—	(822)	(822)
Net loss	(22,174)	—	(22,174)
Balance at 31 December 2014	(121,829)	(4,570)	(126,399)
Other comprehensive loss	—	(707)	(707)
Net loss	(24,478)	—	(24,478)
Balance at 31 December 2015	(146,307)	(5,277)	(151,584)

20. SHARE BASED PAYMENTS

The Group has issued share options since 2003, restricted shares since 2014 and RSUs since 2015 to incentivize employees and Directors providing services to the Group. The Group currently maintains two equity compensation plans, the Amended and Restated 2008 Stock Incentive Plan and the 2013 Share Incentive Plan (the Plans). With the adoption of the 2013 Share Incentive Plan, the Group is no longer authorized to grant awards under the Amended and Restated 2008 Stock Incentive Plan.

In November 2013, in connection with the Group's IPO, the Group adopted the 2013 Share Incentive Plan (the 2013 Plan) which provides for the grant of share options, restricted shares, RSUs and other share-based awards to employees, officers, Directors and consultants of the Group. The 2013 Plan authorizes the Group to grant up to 2,684,563 ordinary shares with such amount automatically increasing annually on each January 1st from 1 January 2015 to 1 January 2023 by 4% of the number of shares outstanding on the close of business of the immediately preceding December 31st, provided that the Board of Directors may limit the increase to a smaller amount or to no increase in any given year. At 31 December 2015, there were 860,163 shares available for future issuance under the 2013 Plan.

20. SHARE BASED PAYMENTS (CONTINUED)

Under both the 2008 Plan and the 2013 Plan, share options, and only under the 2013 Plan, restricted shares and RSUs, have been granted to employees, officers and Directors who provide services to the Group. Options generally vest based on the grantee's continued service with the Group during a specified period following grant or, in rare instances, based on the achievement of performance or other conditions as determined by the Board of Directors, and expire after ten years. Option awards to employees generally vest monthly over a four year period. For options granted prior to 2015, the vesting percentage was generally 0% until the second anniversary of the vesting start date of the employee's first option award under the 2008 Plan and either the second anniversary of the employee's date of hire or the first day of the month following the second anniversary of the employee's date of hire under the 2013 Plan. Effective with 2015, the Group began granting options that vest in equal parts over four years starting on the vesting start date. Generally, restricted shares and RSUs vest based on the grantees' continued service with the Group during a specified period following grant as follows: 40% on the second anniversary of the grant date; 30% on the third anniversary of the grant date; and 30% on the fourth anniversary of the grant date. The expense recognized during the year related to share based compensation transactions was as follows:

	2015	2014
	$000	$000
Cost of sales	529	330
Distribution costs	1,045	949
Administrative expenses	1,911	1,242
Total share-based compensation	3,485	2,521

The fair value of options was estimated at the grant date using the Black-Scholes option pricing model, taking into account the terms and conditions upon which options are granted. The fair value of the options is amortised on a straight-line basis over the requisite service period of the awards. The weighted-average grant date fair value per share relating to share options granted under the Plan during the years ended 31 December 2015 and 2014 was $6.33 and $9.32, respectively. Share-based compensation expense for restricted shares and RSUs is calculated based on the grant date market price of the shares and is also amortised on a straight-line basis over the requisite service period of the awards.

The fair value of each option granted under the Plan has been calculated using the Black-Scholes Model on the date of grant using the following assumptions:

	2015	2014
Expected dividend yield (%)	—	—
Expected volatility (%)	44.11	46.87
Risk-free interest rate (%)	1.66	1.86
Expected life of option (years)	6.19	6.19
Weighted-average share price ($)	14.15	19.66
Weighted-average exercise price ($)	14.15	19.66

Expected dividend yield: The Group has not paid and does not anticipate paying any dividends in the foreseeable future.

Risk-free interest rate: The Group determined the risk-free interest rate by using a weighted-average equivalent to the expected term based on the U.S. Treasury yield curve in effect as of the date of grant.

20. SHARE BASED PAYMENTS (CONTINUED)

Expected volatility: As the Group operated as a private company until November 2013, there is not sufficient historical volatility for the expected term of the options. Therefore, the Group used an average share price volatility over a historical period equal in length to the expected term, based on an analysis of reported data for a peer group of comparable companies which were selected based upon industry similarities. The Group intends to continue to use comparable companies in its volatility factor calculation until a sufficient amount of historical information regarding the volatility of its own share price becomes available.

Expected term (in years): Expected term represents the period that the Group's share option grants are expected to be outstanding. As the Group operated as a private company until November 2013, there is not sufficient historical share data to calculate the expected term of the options. Therefore, the Group elected to utilize the "simplified" method to value share option grants. Under this approach, the weighted-average expected life is presumed to be the average of the vesting term and the contractual term of the option.

Forfeitures are estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from estimates. The Group estimates forfeitures based on historical termination behaviour. For the years ended 31 December 2015 and 2014, a forfeiture rate of 5% was applied.

The following table illustrates the number of ordinary shares and weighted-average exercise prices, or WAEP of, and movements in, share options during 2015 and 2014:

	2015 Ordinary shares	2015 Weighted -average exercise price	2014 Ordinary shares	2014 Weighted -average exercise price
	Number	$	Number	$
Outstanding as of 1 January	1,877,142	7.39	1,359,014	1.50
Granted	747,964	14.15	633,823	19.66
Exercised	(41,222)	0.44	(65,054)	0.22
Forfeited	(158,458)	15.90	(50,641)	12.30
Outstanding as of 31 December	2,425,426	9.03	1,877,142	7.39
Vested or expected to vest as of 31 December	2,369,204	8.91	1,829,020	7.27
Exercisable as of 31 December	1,300,984	4.64	914,704	2.55

The following table illustrates the number of restricted shares and RSUs, and weighted-average fair value, or WAFV, of, and movements in, restricted shares and RSUs during the year:

	2015 Number of ordinary shares	WAFV	2014 Number of ordinary shares	WAFV
		$		$
Unvested balance as of 1 January	275,500	22.25	—	—
Granted	112,999	14.19	275,500	22.25
Cancelled	(21,760)	22.99	—	—
Vested	—	—	—	—
Unvested balance as of 31 December	366,739	19.72	275,500	22.25

20. SHARE BASED PAYMENTS (CONTINUED)

As of December 31, 2015, there was $5.8 million and $4.7 million of total unrecognized compensation cost related to unvested share options, and unvested restricted shares and RSUs, respectively, granted under the Plans. The cost for unvested share options and unvested restricted shares and RSUs is expected to be recognized over weighted-average periods of 2.4 years and 2.5 years, respectively.

A summary of options outstanding and exercisable as of December 31, 2015, follows:

	Total options outstanding		**Total options exercisable**	
Exercise prices	**Number of options**	**Weighted-average remaining life in years**	**Number of options**	**Weighted-average remaining life in years**
$0.00-$1.00	1,110,211		985,547	
$1.01-$5.00	40,858		31,410	
$10.00-$15.00	817,268		65,616	
$15.01-$20.00	116,893		64,509	
$20.01-$25.00	340,196		153,902	
	2,425,426	7.4	1,300,984	6.2

The aggregate intrinsic value of all share options outstanding under the Plan as of 31 December 2015 and 2014 was $12.6 million and $15.7 million, respectively. The aggregate intrinsic value of share options that were fully vested under the Plan as of 31 December 2015 is $11.2 million.

During the years ended 31 December 2015 and 2014, current and former employees of the Group exercised a total of 41,222 options and 65,054 options, respectively, resulting in total proceeds of $20,000 during the year ended 31 December 2015 and $14,000 for the year ended 31 December 2014. The intrinsic value of share options exercised during the years ended 31 December 2015 and 2014 was $0.5 million and $0.9 million, respectively. In accordance with Group policy, the shares were issued from a pool of shares reserved for issuance under the Plans described above.

A summary of the activity of the Group's unvested share options is as follows:

	Number of shares	Weighted-average grant date fair value	Number of shares	Weighted-average grant date fair value
		$		$
Balance as of 1 January	962,439	5.92	761,840	5.92
Granted	747,964	6.33	633,823	6.33
Vested	(429,416)	4.68	(385,042)	4.68
Forfeited	(156,544)	7.51	(48,182)	7.51
Balance as of 31 December	1,124,443	6.53	962,439	6.53

The total fair value of shares vested for the years ended 31 December 2015 and 2014 was $1.9 million and $1.0 million, respectively.

21. NET LOSS PER SHARE

The following table provides a reconciliation of the numerator and denominator used in computing basic and diluted net loss per share:

	2015	2014
	$000	$000
Numerator:		
Net loss attributable to ordinary shareholders	(24,478)	(22,174)
Denominator:		
Weighted-average ordinary shares outstanding-basic	21,781,933	17,310,148
Dilutive effect of ordinary share equivalents resulting from ordinary share options, ordinary shares warrants and preferred ordinary shares (as converted)	—	—
Weighted-average ordinary shares outstanding-diluted	21,781,933	17,310,148

22. INTELLECTUAL PROPERTY – LICENSE AGREEMENTS

The Group entered into three license agreements by which it has secured certain patent rights that are necessary to make, use and sell the T-SPOT.*TB* test. One of these license agreements, with Isis, was terminated in connection with the assignment by Isis to the Group of certain intellectual property rights in November 2013. The Group has ongoing obligations to make certain payments to Isis while the assigned patents remain in force in certain countries. The Group existing license agreements related to its T-SPOT.*TB* test, as well as its previous license from Isis, are generally exclusive in the stated field, cover a worldwide territory, are royalty-bearing and give the Group the right to grant sublicenses. The Group has minimum royalty obligations under each existing license agreement, which continue so long as patents licensed under the agreement remain unexpired. The minimum contractual royalty payments, including ongoing minimum payment obligations to Isis, after 31 December 2015 and 2014 are set forth in the commitments and contingencies table in Note 23, "Commitments and contingencies" to these consolidated financial statements.

The Group incurs royalties under each existing license agreement, has incurred royalties under the Isis license agreement, and will incur continuing payment obligations to Isis that are treated as royalties in these financial statements, based on its product and service turnover. The aggregate royalty expense relating to the three license agreements amounted to $5.1 million and $4.8 million for the years ended 31 December 2015 and 2014, respectively. The Group paid other license-related expenses, including patent prosecution expenses, milestone payments and assignment fees due to these licensors, amounting to $0.2 million and $0.1 million for the years ended 31 December 2015 and 2014, respectively. The aggregate royalty rate paid by the Group in each of the years ended 31 December 2015 and 2014, as a percentage of the gross product and service turnover of the Group, was 8% and 10%, respectively.

23. COMMITMENTS AND CONTINGENCIES

Operating leases

At 31 December 2015, the Group leases facilities under four non-cancelable operating leases, with terms that expire between 2018 and 2021. The Group leases office, storage/warehouse, laboratory and manufacturing space in Abingdon, U.K., which leases are due to expire on 31 January 2018 (with respect to the storage/warehouse facility) and 11 June 2019. On 1 March 2013, the Group signed a five year lease for its U.S. corporate headquarters in Marlborough, Massachusetts. During June 2013, the Group moved into this facility and vacated the old facility prior to lease expiration on 30 June 2013. In August 2015, the Group entered into a lease amendment for this location to extend the term of the lease by two years through 31 October 2020. In addition, the lease amendment will expand the Group's office space at this location by 7,600 square feet to a new total of 22,100 square feet. The base rent for the combined space over the lease term will range from an initial low of $36,000 per month, which includes $12,000 per month for the expansion space commencing in early 2016, to a high of $39,000 per month. The Group will have an option to extend the lease for one additional term of five years. In addition, the Group leases laboratory space in Memphis, Tennessee, which lease is due to expire on 31 December 2021. The Group has an option to extend the lease for two additional terms of five years each.

Future minimum lease payments required under the non-cancelable operating leases in effect as of 31 December 2015 and 2014 are as follows:

	2015	2014
	$000	$000
Year 1	1,304	975
Year 2	1,284	982
Year 3	1,253	843
Year 4	884	776
Year 5	542	261
Thereafter	150	—
	5,417	3,837

Rent expense is calculated on a straight-line basis over the term of the lease. Rent expense recognized under operating leases totaled $0.9 million and $0.7 million for the years ended 31 December 2015 and 2014, respectively.

Purchase commitments

The Group has license agreements with third parties that provide for minimum royalty, license, and exclusivity payments to be paid by the Group for access to certain technologies. In addition, the Group pays royalties as a percent of turnover as described in Note 23, "Intellectual property—License agreements" to these consolidated financial statements. In addition, the Group has outstanding purchase obligations to its suppliers.

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Future minimum payments required under license agreements and supplier purchase obligations in effect as of 31 December 2015 were as follows:

	License agreements	Supplier purchase obligations	Total
	$000	$000	$000
Year 1	$ 1,521	$ 4,753	6,274
Year 2	1,521	365	1,886
Year 3	1,515	250	1,765
Year 4	1,508	—	1,508
Year 5	25	—	25
Thereafter	—	—	—
Total minimum payments	$ 6,090	$ 5,368	$ 11,458

Future minimum payments required under license agreements and supplier purchase obligations in effect as of 31 December 2014 were as follows:

	License agreements	Supplier purchase obligations	Total
	$000	$000	$000
Year 1	$ 1,688	$ 3,180	$ 4,868
Year 2	1,688	250	1,938
Year 3	1,688	250	1,938
Year 4	1,688	250	1,938
Year 5	1,676	—	1,676
Thereafter	25	—	25
Total minimum payments	$ 8,453	$ 3,930	$ 12,383

Legal contingencies

The Group is subject to claims and assessments from time to time in the ordinary course of business. The Group does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Group's business, financial condition, results of operations or cash flows.

23. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Indemnification

In the normal course of business, the Group enters into contracts and agreements that contain a variety of representations and warranties and provide for general indemnification. The Group's exposure under these agreements is unknown because it involves claims that may be made against the Group in the future, but that have not yet been made. To date, the Group has not paid any claims or been required to defend any action related to its indemnification obligations. However, the Group may record charges in the future as a result of these indemnification obligations.

In accordance with its articles of association, the Group has indemnification obligations to its officers and Directors for certain events or occurrences, subject to certain limits, while they are serving at the Group's request in such capacity. There have been no claims to date, and the Group has director and officer insurance that may enable it to recover a portion of any amounts paid for future potential claims.

24. ACQUISITION ACTIVITY

On 31 July 2014 ("date of the acquisition"), the Group acquired substantially all of the assets of Boulder, a privately owned company developing immunology-based assays for autoimmune and inflammatory conditions/diseases. The assets acquired primarily relate to assays for Lyme disease and gout and an assay to help select biologics for autoimmune disease based on monitoring and prognosis of drug response that was acquired in conjunction with the Boulder acquisition. As part of the transaction, Boulder transferred to the Group all shares of capital stock in its wholly-owned subsidiary, Boulder Diagnostics Europe GmbH, such that the Group has become the sole owner of Boulder Diagnostics Europe GmbH.

The terms of the purchase agreement provided for an upfront payment of $1.7 million and contingent purchase price consideration consisting of future potential milestone payments totaling up to $6.1 million in respect of the Lyme disease and gout assays at any time on or prior to 31 July 2024. The milestone payments consist of up to $400,000 for the completion of studies related to acquired technologies, up to $700,000 for the development of diagnostic test kits, $500,000 for the first patient enrolled in an Institutional Review Board approved study, up to $1.5 million for the issuance of patents, and up to $3.0 million for approvals or clearances by the U.S. Food and Drug Administration. The Group has determined that this liability is a Level 3 fair value measurement within the FASB's fair value hierarchy and the fair value has been estimated to be $1.2 million on the date of acquisition based on significant assumptions, including the probabilities of milestone occurrence, the expected timing of milestone payments, and a discount rate of 15%. Such liability is adjusted to fair value at each reporting date, with the adjustment reflected in general and administrative expenses. See Note 13 "Fair value measurement" for information pertaining to changes in the fair value of this liability.

The acquisition of Boulder was accounted for under the acquisition method of accounting and the purchase price allocation was provisionally prepared during the third quarter of 2014. These provisional amounts have been finalized during the fourth quarter of 2014. Total consideration was (in thousands):

Cash consideration	$	1,724
Estimated fair value of contingent consideration		1,247
Total consideration transferred	$	2,971

$183,200 of the cash consideration has been placed in an escrow account for a period of 24 months as security for any undisclosed liabilities and as indemnification for certain items. The Group paid approximately $181,000 in transaction costs associated with this transaction, which is included in general and administrative expense in the consolidated statement of operations.

24. ACQUISITION ACTIVITY (CONTINUED)

The following table summarizes the purchase price of the Boulder acquisition, the fair value of identified assets acquired and liabilities assumed at the acquisition date (in thousands):

Assets acquired:		
Cash	$	8
Trade debtors		15
Stock		40
Prepaid expenses and other		12
Property and equipment		359
In-process research and development		2,627
Total assets acquired		3,061
Liabilities assumed:		
Trade creditors		(97)
Accrued liabilities		(14)
Other current liabilities		(34)
Total liabilities assumed		(145)
Net assets acquired		2,916
Add: goodwill		55
Total consideration transferred	$	2,971

On the date of the acquisition the fair value of IPR&D acquired was determined to be $2.6 million ($1.8 million for the Lyme disease assay, $0.5 million for the assay to help select biologics for autoimmune disease based on monitoring and prognosis of drug response that was acquired in conjunction with the Boulder acquisition, and $0.3 million for the gout assay) using the excess earnings method with significant inputs, including estimates of the timing and cost required for product approval, turnover growth, gross margin, operating expenses and a 15% discount rate, that are not observable. The Group considers the fair value of IPR&D to be a Level 3 fair value asset due to the significant estimates and assumptions used by management in establishing the estimated fair value.

Goodwill and IPR&D are indefinite-lived intangible assets and are not amortised. Rather, they are reviewed for impairment at least annually. During the third quarter of 2015, the timeline for the development of an assay to inform decisions regarding biologic therapies that was acquired as part of the Boulder acquisition was changed due to delays in the completion of research studies. Based upon the changed timeline and the resulting impact on fair value, the Group recorded a non-cash IPR&D impairment charge of $385,000 in research and development expense.

Actual results of operations of Boulder for 2014 were included in the financial statements from the date of the acquisition, including revenues in the amount of $42,000 and losses from operations of $396,000. The functional currency for Boulder in Germany is the Euro.

24. ACQUISITION ACTIVITY (CONTINUED)

Pro Forma Information: The unaudited pro forma condensed consolidated statement of operations of the Group, set forth below, gives effect to the Group's acquisition of Boulder, using the acquisition method as if it occurred on January 1, 2013. These amounts are not necessarily indicative of the consolidated results of operations for future years or actual results that would have been realized had the acquisition occurred as of January 1, 2013:

(in thousands, except share and per share data)	2014
Total turnover	$ 49,577
Net loss	$ (22,399)
Net loss per share—basic and diluted	$ (1.29)
Weighted average shares outstanding—basic and diluted	17,310,148

25. RESTRUCTURING

During the fourth quarter of 2014, the Group closed the facilities that had been used by Boulder (see Note 24 "Acquisition activity"), terminated four employees, and consolidated the research and development activities that had been performed at those locations to the Group's Abingdon, U.K. and Memphis, Tennessee facilities. As a result of these actions, the Group recorded in research and development expense a restructuring charge of $182,000.

A summary of these charges and payments made to date are included in the below table. Accrued restructuring costs at 31 December 2014 are included in accrued liabilities in the accompanying balance sheet.

	Abandonment of Excess Facilities	Relocation Costs	Severance	Total
	$000	$000	$000	$000
Balance at 31 December 2013	—	—	—	—
Costs incurred in 2014	86	70	16	172
Payments	(44)	(42)	(16)	(102)
Balance at 31 December 2014	42	28	—	70
(Credit) charge for restructuring	—	(9)	3	(6)
Payments	(42)	(19)	(3)	(64)
Balance at 31 December 2015	—	—	—	—

In addition to the items listed above, the Group recorded charges in 2014 totaling $10,000 to write-off abandoned equipment.

26. TANGIBLE FIXED ASSETS DISTRIBUTION

Geographical analysis:

	2015	2014
	$000	$000
United States	5,051	3,198
Europe and Rest of the World	1,124	1,187
Asia	109	152
	6,284	4,537

27. SUBSEQUENT EVENTS

Effective 4 March 2016, the Remuneration Committee of the Board of Directors approved grants to employees for up to 607,716 share options and 108,361 restricted share units from the Oxford Immunotec Global PLC 2013 Share Incentive Plan. These grants were issued to employees in the first quarter of 2016.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OXFORD IMMUNOTEC GLOBAL PLC

We have audited the parent company financial statements of Oxford Immunotec Global plc for the year ended 31 December 2015 which comprise the parent company balance sheet, parent company statement of changes in equity, parent company cash flows and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 33, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (U.K. and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the parent company financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the parent company financial statements.

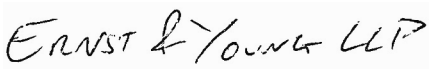
Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

We have reported separately on the group financial statements of Oxford Immunotec Global PLC for the year ended 31 December 2015.



Marcus Butler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
13 May 2016

Notes:

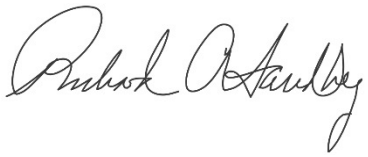
1. The maintenance and integrity of the Oxford Immunotec Global plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

OXFORD IMMUNOTEC GLOBAL PLC
PARENT COMPANY BALANCE SHEET
At 31 December 2015

	Notes	At 31 December 2015	At 31 December 2014 (as restated)	At 1 January 2014
		$000	$000	$000
NON-CURRENT ASSETS				
Investments	3	41,938	21,037	5,228
CURRENT ASSETS				
Receivables	4	17,051	6,947	—
Cash at bank and in hand		72,576	44,924	68,892
		89,627	51,871	68,892
TOTAL ASSETS		131,565	72,908	74,120
CURRENT LIABILITIES				
Amounts owed to subsidiary undertakings		—	—	6,068
Trade payables		128	616	—
Accrued liabilities		410	408	925
TOTAL CURRENT LIABILITIES	5	538	1,024	6,993
NET CURRENT ASSETS		89,089	50,847	61,899
TOTAL ASSETS LESS CURRENT LIABILITIES		131,027	71,884	67,127
NET ASSETS		131,027	71,884	67,127
CAPITAL AND RESERVES				
Share capital	6	243	192	188
Share premium	8	122,917	69,186	68,858
Retained earnings (deficit)	8	7,867	2,506	(1,919)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	8	131,027	71,884	67,127
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		131,565	72,908	74,120

The financial statements on pages 78 to 80, and the accompanying Notes to Parent Company Accounts were approved by the Board of Directors and authorised for issue on 13 May 2016 and are signed on its behalf by:



Richard A Sandberg
Director
13 May 2016

OXFORD IMMUNOTEC GLOBAL PLC
PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2015

	Notes	Share capital	Share premium	Retained earnings	Total
		$000	$000	$000	$000
AT 16 AUGUST 2013 (date incorporated)		—	—	—	—
Loss for the financial period		—	—	(1,982)	(1,982)
TOTAL COMPREHENSIVE LOSS		—	—	(1,982)	(1,982)
Shares issued		188	68,858	—	69,046
Share-based payment transactions		—	—	63	63
AT 1 JANUARY 2014 (as previously reported)		188	68,858	(1,919)	67,127
Loss for the financial year prior to restatement		—	—	(2,770)	(2,770)
IFRS transition adjustment	2	—	—	99	99
Prior year adjustment	14	—	—	2,300	2,300
TOTAL COMPREHENSIVE LOSS (as restated)		—	—	(371)	(371)
Shares issued		4	328	—	332
Share-based payment transactions	7	—	—	4,796	4,796
AT 31 DECEMBER 2014 (as restated)		192	69,186	2,506	71,884
Profit for the financial year		—	—	720	720
TOTAL COMPREHENSIVE INCOME		—	—	720	720
Shares issued	6	51	53,731	—	53,782
Share-based payment transactions	7	—	—	4,641	4,641
AT 31 DECEMBER 2015		243	122,917	7,867	131,027

OXFORD IMMUNOTEC GLOBAL PLC
PARENT COMPANY STATEMENT OF CASH FLOWS
For the year ended 31 December 2015

	2015	2014 (as restated)
	$000	$000
OPERATING ACTIVITIES		
Net income (loss)	720	(371)
Adjustments to reconcile net loss to net cash used in operating activities:		
Prepayments, accrued income and other assets	186	(635)
Trade creditors	(486)	616
Accrued liabilities	3	(516)
Intercompany	(10,290)	(12,063)
Net cash used in operating activities	(9,867)	(12,969)
INVESTING ACTIVITIES		
Investments in subsidiaries	(16,260)	(11,013)
Net cash used in investing activities	(16,260)	(11,013)
FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	53,762	—
Proceeds from exercise of share options	17	14
Net cash generated from financing activities	53,779	14
NET INCREASE (DECREASE) IN CASH AT BANK AND IN HAND	27,652	(23,968)
CASH AT BANK AND IN HAND AT BEGINNING OF YEAR	44,924	68,892
CASH AT BANK AND IN HAND AT END OF YEAR	$ 72,576	$ 44,924
Non-cash investing and financing activities		
Cashless exercise of 2013 warrants	—	318

1 PARENT COMPANY ACCOUNTING POLICIES

BASIS OF PRESENTATION AND ACCOUNTING PRINCIPLES

On 2 October 2013, Oxford Immunotec Global PLC (”the Parent Company”) completed a Scheme of Arrangement under the laws of England and Wales, or the Scheme of Arrangement, which was approved by the High Court of Justice in England and Wales. All holders of ordinary shares, preferred ordinary shares, options and warrants exchanged their interests in Oxford Immunotec Limited for identical interests in Oxford Immunotec Global PLC. As a result of this exchange, Oxford Immunotec Global PLC is now the parent company of Oxford Immunotec Limited.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements are prepared under the historical cost convention.

The Parent Company has transitioned to IFRS from previously extant United Kingdom Generally Accepted Accounting Practice (“U.K. GAAP”) for all periods presented in its individual financial statements. The transition from U.K. GAAP to IFRS required that intercompany receivables be initially recognized at fair value, with any difference between the fair value and the face value being recognized as an equity transaction. Subsequently, intercompany receivables are accreted to face value over the estimated life of the receivables and interest income is recorded using the effective interest method. Prior to 1 January 2014, the date of transition to IFRS, intercompany receivables were recorded at face value.

The Parent Company has adopted the exemption of presenting the profit and loss account as permitted by section 408 of the Companies Act 2006. The Parent Company’s loss for the year ended 31 December 2014 was $371,000 (as restated). For the year ended 31 December 2015, the Parent Company reported a profit of $720,000.

The results of the Parent Company are included in the consolidated financial statements of Oxford Immunotec Global PLC which are on pages 36 to 75 of this document.

The financial statements have been prepared on a going concern basis. The Directors have considered the appropriateness of the going concern basis in the Directors’ Report, which begins on page 1. In addition, the Parent Company acknowledges its responsibility to support its subsidiary’s cash outflows for the foreseeable future.

The financial statements and related notes have been prepared and presented in U.S. Dollars (USD). Unless otherwise noted, amounts are presented in USD thousands.

INVESTMENTS

Fixed asset investments comprise investments in subsidiaries and are stated at cost less provision for impairment.

The initial investment in Oxford Immunotec Limited was recorded at the nominal value of the shares issued following the requirements of section 612 “Merger Relief” of the Companies Act 2006. On transition to IFRS, the Company has elected to take the deemed cost exemption allowed under IFRS 1.D15 to measure its investments in subsidiaries at the previous U.K. GAAP carrying amount at the date of transition.

Where at the year-end there is evidence of impairment, the carrying value of the investment is written down to its recoverable amount.

FINANCIAL ASSETS AND LIABILITIES

Financial assets are recognised and carried at the lower of their original invoiced value or their recoverable amount. Where the time value of money is material, receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest method. Provision is made when there is objective evidence that the Parent Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

The Parent Company’s financial liabilities include trade and other payables, which are recognized at fair value.

1 PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)

CASH AT BANK AND IN HAND

The Parent Company maintains its available cash balances in cash, U.S. government money market funds, and bank savings accounts. The Parent Company maintains deposits in government insured financial institutions in excess of government insured limits, but believes that it is not exposed to significant credit risk due to the financial position of the depository institutions in which those deposits are held.

INCOME TAXES

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements with the exception of the following:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilized

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

EQUITY

Equity instruments
Equity instruments issued by the Parent Company are recorded as the value of the proceeds received net of direct issue costs.

1 PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)

SHARE-BASED PAYMENTS

The Parent Company operates a number of share-based payment schemes. For grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model and for grants of restricted shares and restricted share units, or RSUs, the fair values are calculated based on the closing sale price of the Parent Company's ordinary shares on the date of issuance.

Grants are expensed on a straight line basis over the vesting period, based on the Parent Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Upon exercise of options, proceeds received are credited to share capital. The Parent Company does not receive any proceeds upon the vesting of restricted shares or RSUs.

The Parent Company grants share options, restricted shares and RSUs over its own ordinary shares to employees of subsidiary companies. These employees provide services to the subsidiary companies. The cost of these shares is not recharged and therefore the fair value of the share options granted is recognized as a capital contribution to the subsidiary companies. This is accounted for as an increase in investments with a corresponding increase in a non-distributable component of equity.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for turnovers and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

The fair value of the share based payments is obtained using various assumptions and estimates which may change after the balance sheet date. Key estimates include: staff turnover and other criteria leading to issued share options not fully vesting; the valuation of the shares at the balance sheet date with reference to the relevant stock exchanges; and the various assumptions included within the Black-Scholes option-pricing model.

2 FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements, for the year ended 31 December 2015, are the first the Parent Company has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2014, the Parent Company prepared its financial statements in accordance with U.K. GAAP.

Accordingly, the Parent Company has prepared financial statements which comply with IFRS applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the year ended 31 December 2014, as described in the summary of significant accounting policies. In preparing these financial statements, the Parent Company's opening statement of financial position was prepared as at 1 January 2014, the Parent Company's date of transition to IFRS.

Estimates

Except for estimating the fair value of intercompany receivables, estimates at 1 January 2014 and at 31 December 2014 are consistent with those made for the same dates in accordance with local U.K. GAAP. Fair value of intercompany receivables are estimated using a ten-year life and an estimated interest rate equal to the Parent Company's estimated borrowing rate plus a risk-free rate based on 3-month U.S. Treasury securities.

2 FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

The estimates used by the Parent Company to present these amounts in accordance with IFRS reflect conditions at 1 January 2014, the date of transition to IFRS and as of 31 December 2014. There were no differences between IFRS and U.K. GAAP at 1 January 2014.

The below table shows the Parent Company reconciliation of equity as at 31 December 2014 (end of last period presented under U.K. GAAP):

	As at 31 December 2014 (end of last period presented under U.K. GAAP)		
	U.K. GAAP (as restated)	Effect of transition to IFRS	IFRS balance sheet
	$000	$000	$000
ASSETS			
FIXED ASSETS			
Investments	10,024	11,013	21,037
CURRENT ASSETS			
Receivables	17,861	(10,914)	6,947
Cash at bank and in hand	44,924	—	44,924
	62,785	(10,914)	51,871
TOTAL ASSETS	72,809	99	72,908
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	616	—	616
Accrued liabilities	408	—	408
TOTAL CURRENT LIABILITIES	1,024	—	1,024
NET CURRENT ASSETS	61,761	(10,914)	50,847
TOTAL ASSETS LESS CURRENT LIABILITIES	71,785	99	71,884
NET ASSETS	71,785	99	71,884
CAPITAL AND RESERVES			
Share capital	192	—	192
Share premium	69,186	—	69,186
Profit and loss account	2,407	99	2,506
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	71,785	99	71,884
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	72,809	99	72,908

The above transition adjustments relate to initially recording intercompany receivables at fair value in accordance with International Accounting Standard, or IAS, 39. These intercompany receivables are subsequently accreted to face value over a period of ten years, as it is currently estimated these receivables will be repaid in ten years. In addition to the above transition adjustments, amounts owed by subsidiary undertakings, included within debtors, has increased by $2,300,000 at 31 December 2014 and totals including debtors have been adjusted accordingly due to a prior year adjustment. Therefore, the reserves position at 31 December 2014 as previously reported under old U.K. GAAP has been revised. See Note 14, "Prior Year Adjustments," to these Parent Company statements for information regarding the 2014 restatement.

2 FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

New standards and interpretations not yet adopted

IFRS 9, *Financial Instruments*, replaces IAS 39, *Financial Instruments: Recognition and Measurement*, in its entirety. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. IFRS 9 will be effective for the Parent Company for fiscal years beginning on or after 1 January 2018. IFRS 9 is yet to be endorsed by the European Parliament. The effect on the Parent Company of adoption of IFRS 9 has yet to be determined.

IFRS 15, *Revenue from Contracts with Customers*, is intended to clarify the principles of revenue recognition and establish a single framework for revenue recognition. The core principle is that an entity should 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. IFRS 15 will be effective for the Parent Company for fiscal years beginning on or after 1 January 2018. IFRS 15 is yet to be endorsed by the European Parliament. The effect on the Parent Company of adoption of IFRS 15 has yet to be determined.

IFRS 16, *Leases*, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. IFRS 16 will be effective for the Parent Company for fiscal years beginning on or after 1 January 2019. IFRS 16 is yet to be endorsed by the European Parliament. The effect on the Parent Company of adoption of IFRS 16 has yet to be determined.

There are various other amendments to standards, interpretations and annual improvements issued by the International Accounting Standards Board, none of which are expected to have a material effect on the results of the Parent Company.

3 INVESTMENTS

	Subsidiary undertakings	
	At 31 December	
	2015	2014
	$000	$000
COST		
Beginning	21,037	5,228
Capital contributions	20,901	15,809
Closing balance	41,938	21,037

3 INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The Parent Company's subsidiary undertakings are:

Name of undertaking	Country of incorporation (if outside of the U.K.)	Class of shareholding	Proportion held	Nature of business
Oxford Immunotec Limited [1]		Ordinary	100%	Medical Diagnostics
Oxford Immunotec Inc.	United States	Ordinary	100%	Medical Diagnostics
Oxford Immunotec K.K.	Japan	Ordinary	100%	Medical Diagnostics
Boulder Diagnostic Europe GmbH [2]	Germany	Ordinary	100%	Medical Diagnostics
Oxford Immunotec Asia Limited [3]	People's Republic of China	Ordinary	100%	Medical Diagnostics
Oxford Immunotec (Shanghai) Medical Device Co. Ltd. [3]	People's Republic of China	Ordinary	100%	Medical Diagnostics
Oxford Diagnostic Laboratories (UK) Limited		Ordinary	100%	Medical Diagnostics (Dormant)

[1] Held directly by Oxford Immunotec Global PLC. All other subsidiaries are indirectly held.
[2] Acquired by Oxford Immunotec Limited on 31 July 2014.
[3] Established in 2014.

Oxford Immunotec Inc., Oxford Immunotec K.K., Boulder Diagnostic Europe GmbH, Oxford Immunotec Asia Limited and Oxford Diagnostic Laboratories (UK) Limited are subsidiary undertakings of Oxford Immunotec Limited. Oxford Immunotec (Shanghai) Medical Device Co. Ltd. is a subsidiary undertaking of Oxford Immunotec Asia Limited.

Oxford Immunotec Limited and its subsidiaries existing at the time were acquired by Oxford Immunotec Global PLC on 2 October 2013.

4 RECEIVABLES

	At 31 December		At 1 January
	2015	2014 (as restated)	2014
	$000	$000	$000
Amounts owed by subsidiary undertakings	16,602	6,312	—
Prepayments and accrued income	432	435	—
Other	17	200	—
	17,051	6,947	—

There are no provisions for bad or doubtful receivables. The carrying value of prepayments and accrued income and other is considered to be comparable to the fair value.

See Note 14, "Prior Year Adjustments," to these Parent Company statements for information regarding the 2014 restatement.

4 RECEIVABLES (CONTINUED)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value of amounts owed by subsidiary undertakings are considered to be at Level 3 of the hierarchy, as their calculation requires unobservable inputs. Fair value of intercompany receivables was estimated using a ten-year life and an estimated interest rate equal to the Parent Company estimated borrowing rate, based on a company-specific estimated risk premium plus a risk free rate based on 3-month U.S. Treasury securities.

The following tables present information about the balances of assets measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value. The Parent Company did not have any financial liabilities measured at fair value on a recurring basis.

		Fair value measurements at December 31, 2015 using		
	December 31, 2015	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	$000	$000	$000	$000
Assets measured at fair value:				
Intercompany receivables	$ 16,602	$ —	$ —	$ 16,602
Total	$ 16,602	$ —	$ —	$ 16,602

		Fair value measurements at December 31, 2014 using		
	December 31, 2014	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
	$000	$000	$000	$000
Assets measured at fair value:				
Intercompany receivables	$ 6,312	$ —	$ —	$ 6,312
Total	$ 6,312	$ —	$ —	$ 6,312

5 CURRENT LIABILITIES

	At 31 December		At 1 January
	2015	2014	2014
	$000	$000	$000
Amounts owed to subsidiary undertakings	—	—	6,068
Trade payables	128	616	—
Accrued liabilities	410	408	925
	538	1,024	6,993

The carrying value of trade payables is considered to be comparable to the fair value.

6 SHARE CAPITAL

	At 31 December		At 1 January
	2015	2014	2014
	$000	$000	$000
ALLOTTED			
Ordinary shares, £0.006705 nominal value; 36,183,293, 40,103,528 and 25,189,285 shares authorized at 31 December 2015, 2014 and 2013, respectively, 22,549,488, 17,614,650 and 17,255,267 shares issued and outstanding at 31 December 2015, 2014 and 2013, respectively	243	192	188
	243	192	188

	Ordinary Shares
	$000
Balance at 1 January 2014	188
Exercise of share options	1
Issuance of shares from option plan	3
Balance at 31 December 2014	192
Exercise of share options	1
Issuance of shares in secondary offering	50
Balance at 31 December 2015	243

The Parent Company has one class of ordinary shares authorized.

6 SHARE CAPITAL (CONTINUED)

On January 29, 2015, the Parent Company entered into an underwriting agreement, or the Underwriting Agreement, with J.P. Morgan Securities LLC and Piper Jaffray & Co., as representatives of the several underwriters named therein, collectively, the Underwriters, relating to the public offering, or the Offering, of 4,255,319 ordinary shares, nominal value £0.006705, or the Shares, at an offering price to the public of $11.75 per Share, or the Offering Price. The Underwriters agreed to purchase the Shares from the Parent Company pursuant to the Underwriting Agreement at a price of $11.045 per share. Under the terms of the Underwriting Agreement, the Parent Company granted the Underwriters a 30-day option to purchase up to an additional 638,297 Shares, or the Option Shares, at the Offering Price, less underwriting discounts and commissions. On January 30, 2015, the Underwriters exercised their option to purchase the Option Shares in full. The gross proceeds to the Parent Company from the sale of the Shares and the Option Shares were approximately $57.5 million and the Parent Company received net proceeds of approximately $53.8 million after deducting underwriting discounts and commissions and estimated aggregate offering expenses payable by the Parent Company. The Offering closed on February 4, 2015.

As of 31 December 2015, the Parent Company had 22,549,488 ordinary shares outstanding, including 253,740 restricted shares. In addition, there were a total of 2,425,426 options outstanding and 112,999 RSUs outstanding.

As of 31 December 2014, the Parent Company had 17,614,650 ordinary shares outstanding, including 275,500 restricted shares. In addition, there were a total of 1,877,142 options outstanding as of 31 December 2014.

7 SHARE BASED COMPENSATION

The capital contribution recorded during the year related to share based compensation transactions of the Company's subsidiaries is summarized as follows:

	2015	2014
	$000	$000
Cost of sales	722	628
Distribution costs	1,427	1,806
Administrative expenses	2,492	2,362
Total share-based compensation	4,641	4,796

All other disclosures for share based compensation are covered under Note 20 (Share Based Payments) of the notes to the consolidated financial statements.

8 RESERVES

Share Premium

The share premium account represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

Retained earnings

Retained earnings represents the cumulative profit and loss net of distributions to owners.

9 FINANCIAL INSTRUMENTS

Risks in relation to the use of financial instruments

The Parent Company is exposed to market risks in the ordinary course of our business. These market risks are principally limited to interest rate fluctuations, and foreign currency exchange rate fluctuations, as discussed below.

Interest rate fluctuations

Changes in the general level of U.S. and European interest rates expose the Parent Company to interest rate risk. These changes could affect our interest income and interest expense. However, the Parent Company's cash and cash equivalents are invested in interest-bearing savings and money market accounts and we do not enter into investments for trading or speculative purposes. Therefore, the Parent Company does not believe capital market fluctuations would have a material effect on the fair market value of its portfolio. In addition, the Parent Company does not currently have any debt and so there is no interest rate risk related to interest expense.

Foreign currency exchange rate fluctuations

The Parent Company is exposed to foreign exchange rate risk because its subsidiaries currently operate in three major regions of the world: the United States, Europe & ROW, and Asia, and its subsidiaries revenue is denominated in multiple currencies. Approximately 50% of the Group's sales were in the United States, which are denominated in U.S. Dollars. Sales in China are denominated in U.S. Dollars but these sales are made by our United Kingdom-based subsidiary where the Pound Sterling is the functional currency. As a result, these sales are subject to remeasurement into Pounds Sterling and then translation into U.S. Dollars when we consolidate our financial statements. Sales in Europe are denominated primarily in the Pound Sterling and Euro. As the Group grows Europe & ROW sales outside the United Kingdom and the Euro Zone, the Group may be subject to risk from additional currencies. Sales in Japan are denominated in Yen, and our sales in Japan, which started in late 2012, have since grown significantly.

The Group's expenses are generally denominated in the currencies in which our operations are located, which are primarily in the United States, the United Kingdom, Japan, Europe and China.

As the Group continues to grow its business outside the United States, its results of operations and cash flows will be subject to fluctuations due to changes in foreign currency exchange rates, which could harm its business in the future. To date, the Group has not entered into any foreign currency hedging contracts, although it may do so in the future.

The carrying amount of the Parent Company's financial instruments at 31 December were:

	At 31 December		At 1 January
	2015	2014	2014
	$000	$000	$000
Financial assets			
Amounts owed by subsidiary undertakings	16,602	6,312	—
Other receivables	449	635	—
Total financial assets	17,051	6,947	—

	At 31 December		At 1 January
	2015	2014	2014
	$000	$000	$000
Financial liabilities			
Amounts owed to subsidiary undertakings	—	—	6,068
Trade payables	128	616	—
Accruals	410	408	925
Total financial liabilities	538	1,024	6,993

10 CAPITAL RISK MANAGEMENT

The Company's cash at bank and in hand is invested in interest-bearing savings and money market accounts. We do not enter into investments for trading or speculative purposes. We do not believe capital market fluctuations would have a material effect on the fair market value of our portfolio.

11 KEY MANAGEMENT PERSONNEL REMUNERATION

The total remuneration of the directors of the Parent Company, who are considered to be the key management personnel of the Parent Company is detailed below. Amounts presented are for services to the group.

	2015	2014
	$000	$000
Emoluments	1,016	807
Share-based compensation	387	167
Group pension contributions to money purchase schemes	30	28
	1,433	1,002

12 RELATED PARTY TRANSACTIONS

Balance sheet-related transactions between the Parent Company and its related parties are disclosed below:

	2015	2014 (as restated)	2013
	$000	$000	$000
Subsidiary undertakings:			
Loans given during the year	10,290	12,381	—
Amounts owed at year end	16,602	6,312	—

See Note 14, "Prior Year Adjustments," to these Parent Company statements for information regarding the 2014 restatement.

13 DEFERRED TAXES

Potential deferred tax assets of $279,000 at 31 December 2015 and $455,000 (as restated) at 31 December 2014, relating to net operating losses, have not been recognised as it is not probable that suitable profits will arise to enable the Parent Company to utilise these losses in the foreseeable future.

14 PRIOR YEAR ADJUSTMENTS

After the financial statements of the Parent Company for 2014 were signed and filed, additional adjustments came to light which, in the Directors' opinion, have a material impact on the users' view of these financial statements. These adjustments have therefore been posted as a prior year adjustment for correction of a material error, in accordance with IAS 8.

The adjustments relate to the fair allocation of the costs to each entity within the group. As a result, administrative expenses have decreased by $2,300,000 and operating loss and loss for the year have decreased accordingly. Amounts owed by subsidiary undertakings, included within receivables, have increased by $2,300,000 and totals including receivables have been adjusted accordingly.

15 SUBSEQUENT EVENTS

Effective 4 March 2016, the Remuneration Committee of the Board of Directors approved grants to employees for up to 607,716 share options and 108,361 restricted share units from the Oxford Immunotec Global PLC 2013 Share Incentive Plan. These grants were issued to employees in the first quarter of 2016.