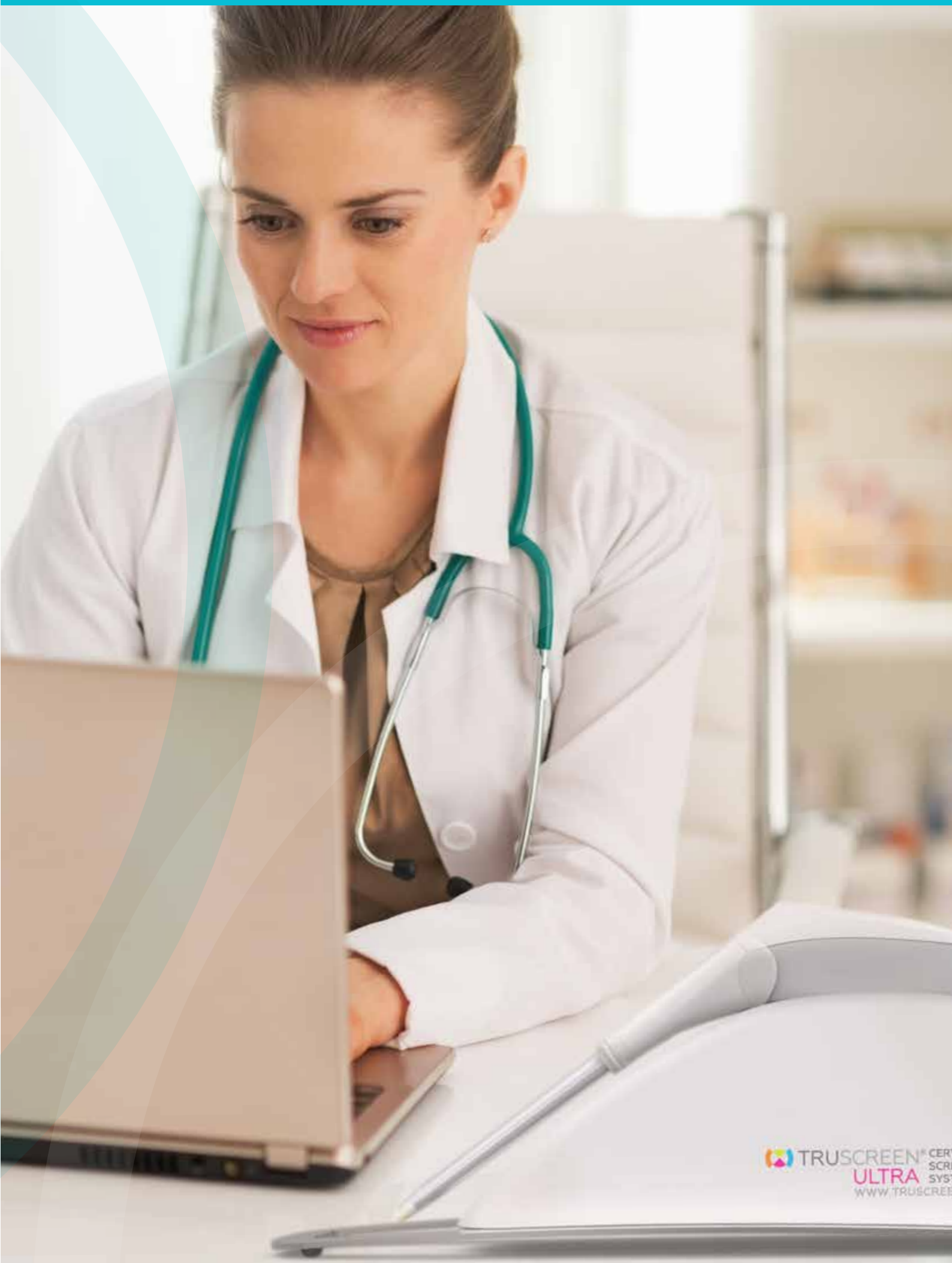
TRUSCREEN®

Annual Report 2016


TRUSCREEN
ULTRA

TruScreen offers an alternative approach to cervical screening, providing real-time, accurate detection of pre-cancerous and cancerous cervical cells to help improve the health and wellbeing of women around the world.

Our low cost, portable TruScreen diagnostic system resolves many of the ongoing issues associated with Pap smears, and is particularly relevant in developing countries.

TruScreen manufactures and owns all rights in the TruScreen® Cervical Cancer Screening System which comprises of a unique medical device (Gen I and Gen II now in market), algorithm technology and processes designed to detect the presence, at the time of screening, of pre-cancerous and cancerous tissue on the cervix.

TruScreen (TRU) is listed on the New Zealand Stock Exchange's NZAX Market, providing investors with an opportunity to invest in this leading edge health technology.

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FY16 HIGHLIGHTS

Gen I TruScreen **gaining traction** in China

Commenced **major screening program** in China

Uptake of TruScreen technology **in 103 hospitals** in China as at year-end

Sold out of all Gen I TruScreen devices

Completed development of Gen II Ultra device

Gained regulatory certification (Gen II Ultra) in Europe, New Zealand, UK and Australia.

Gen II Ultra **sales commenced** to Latin America, Central Asia, Eastern Europe and the Middle East

Positive feedback from Doctors and Distributors re Gen II Ultra device

FY16 Key Events

APRIL 2015

CFDA approval to market Gen I TruScreen in China

MAY 2015

China Doctors Association program signed a memorandum of understanding, aimed at using Gen I TruScreen in 100 hospitals and screen up to 100,000 women by end-2016

JUNE 2015

Raised $3.27 million in capital through private placement

JULY 2015

Raised $1.81 million in capital through Share Purchase Plan

Professor Ronald William Jones CNZM appointed to TruScreen Medical Advisory Board

AUGUST 2015

Commenced three-month Market Launch campaign in China

SEPTEMBER 2015

COFEPRIS approval to market Gen I TruScreen to Government hospitals and public entities in Mexico

NOVEMBER 2015

Completed production of the first Gen II Ultra device

POST-PERIOD END

APRIL 2016

Receipt of CE Mark certification for TruScreen Gen II Ultra

Receipt of MHRA (United Kingdom), TGA (Australia) and WAND (New Zealand) regulatory approvals for TruScreen Gen II Ultra

MAY 2016

Gen II Ultra Sales commenced to Latin America, Central Asia, Eastern Europe and the Middle East

TruScreen technology selected for major cervical screening programme in North China

TruScreen in China

INTRODUCING
Gen II Ultra

GEN II ULTRA KEY IMPROVEMENTS

Massively increased processing capacity and faster processing

Significantly improved performance

Wireless handpiece with increased portability

Rechargeable battery freeing the device from reliance upon continuous connection to mains power

Wi-Fi connectivity to PCs, Laptops and Smart Devices

Internet browser compatibility

Graphic User Interface with LCD touch screen

CHAIRMAN AND CEO'S REVIEW

With the certification and launch of the new TruScreen Gen II Ultra device, our company is now well positioned to access global markets and build sales.

Completing the development of the new and vastly improved TruScreen Gen II Ultra device and commencing production was a major milestone for TruScreen in the past year.

The new device represents a significant step forward for our company and opens up a number of new global markets for our technology, including the European Union, the Middle East, Central Asia and Latin America.

A complete sell out of the original Gen I TruScreen device in July last year and unexpected time delays in obtaining certification for the new Gen II Ultra device created an inventory gap which impacted on our full year sales.

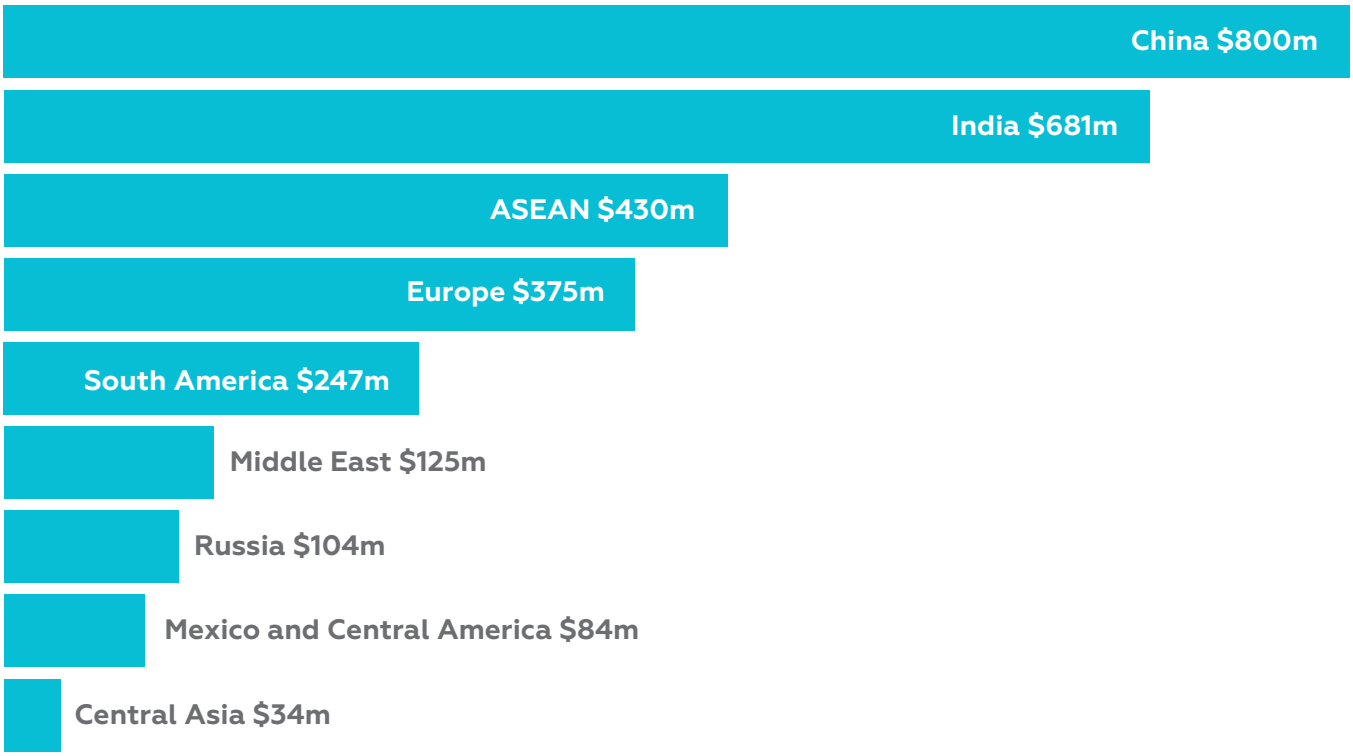
However, with the receipt of CE mark certification and other regulatory approvals since year end, sales of the Gen II Ultra device have now commenced with shipments into a number of new markets including Mexico, Jordan and Kazakhstan.

We have also received extremely positive feedback from the medical fraternity and our sales distributors about the performance and appeal of the new Ultra device which is the world's only real time opto-electric screening device for the detection of cervical cancer.

Our strategy remains to focus on those developing countries where there are no large scale cervical cancer screening programmes and infrastructure in place.

"China represents a massive opportunity for our company and remains our primary focus."

POTENTIAL MARKET VALUES USD$ (per annum)



China remains our primary focus, with an estimated potential market of over $800m annually. Our focus is on building our customer base, primarily large provincial hospitals, as well as encouraging the selection of TruScreen technology for large screening programmes.

Our Chinese distributor is doing a fantastic job driving uptake and there are currently 103 hospitals in China undergoing the procurement application processes to purchase a TruScreen device. We are also actively targeting military hospitals, an important part of the China healthcare system, and recently signed up the People's Liberation Army General Hospital, the latest in a list of military hospitals using TruScreen technology. Our newly appointed and highly regarded sub-distributor in Beijing is another feather in our cap.

The registration, pricing approval, training and procurement process in China is long and involved.

All medical devices must have CFDA registration and approval, with new approvals restricted in recent times and many healthcare and medical companies reporting long waits. However, TruScreen is in the envious position of already having CDFA Approval for our Gen I TruScreen device and have commenced the model upgrade approval process for the Gen II Ultra.

Pleasingly, we do not require separate pricing approval for the Gen II Ultra device and therefore, once the CFDA model upgrade is completed, we can quickly commercialise Gen II Ultra in the eight provinces where we already have pricing approval. Pricing approvals are underway in a further 15 provinces and will cover both the Gen I TruScreen and Gen II Ultra devices.

We have the expertise and country knowledge to navigate the road to commercialisation in China and expect to see more traction with time.

"The number of public screening programs using TruScreen's technology is increasing, as the benefits of its real time nature, clinical effectiveness and portability become more widely known."

THE STEPS TO COMMERCIALISATION IN CHINA

Entry to China

CFDA Approval

Provincial Pricing Approval

Hospital Demonstration and Familiarisation

Procurement Application

Procurement Committee Approval

Installation and Training

Commercial Use

The latest Chinese screening programme to select our technology is in Harbin City and is expected to screen 160,000 women. Training for medical staff has been completed and screening is due to commence. This program is funded by the All China Federation of Trade Unions, the world's largest union with over 280 million members. We hope to leverage off this association and extend the use of the TruScreen technology to similar programs in other provinces throughout China.

The Gen I TruScreen Device is also being evaluated for a further screening program in Xinjiang Province, funded by the Central Government. Currently, 120 patients are undergoing a trial, and if approved, 20,000 women are expected to be screened. Xinjiang is the largest province in China, with approximately 5 million women of screening age.

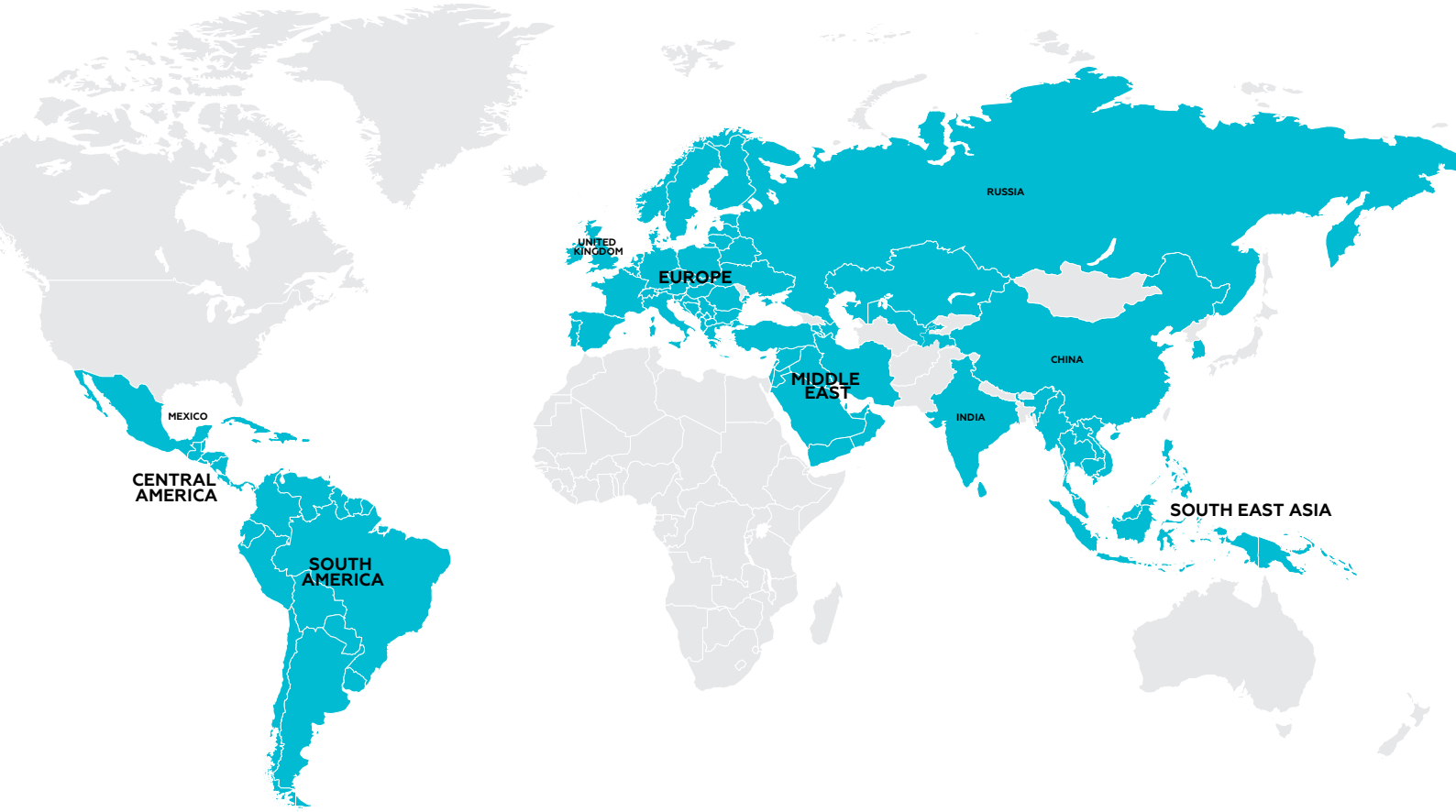
"We are also excited about the potential in markets outside of China and are focused on expediting the supply of our Gen II Ultra device as quickly as possible."

We have identified a number of other large potential markets which are in line with our strategy to focus on providing our technology to developing countries. Initial shipments have already been made to Latin America and the Middle East and pleasingly, we have already received a second order from our Mexican distributor.

The device shipped to Kazakhstan will be used for demonstrations and is the first step in TruScreen's Central Asian strategy. Final import documentation is also being arranged for the Ukraine where TruScreen's local agent is a leading distributor for a range of high end medical technology, including ultrasound, tomography and radiology equipment.

We are also working with an experienced European health services executive to create a Pan European distribution solution for the Gen II Ultra device.

TruScreen's TARGET MARKETS



"Clinical validation is an extremely important part of what we do."

A growing number of clinical trials are underway for Gen I TruScreen and Gen II Ultra. We have been pleased by the positive results and feedback being generated from two trials currently in progress, in Australia and Mexico.

Five hundred patients have taken part in the 'real world' trial at the GineMed Clinic in Guadalajara, Mexico, with results clearly showing the higher sensitivity and effectiveness of the TruScreen technology. The trial reported a TruScreen sensitivity of 76% compared to a traditional Pap Smear sensitivity of only 22%[1].

Another trial has recently commenced at the Royal Hospital for Women in Sydney, Australia, comparing the Gen I TruScreen device with the new Gen II Ultra. Initial feedback from the trial supervisor, Conjoint Associate Professor Michael Campion, is that Gen II Ultra is a significant improvement as far as doctor usability is concerned and continues TruScreen's advantage in patient preference.

We believe the advantages of our technology, including its accuracy, portability, objectivity, real time results and no requirement for laboratory infrastructure, puts it head and shoulders above other screening options in developing countries.

We engage the services of a number of medical specialists to advise management and direction on clinical, scientific and medical matters. In July 2015, we were delighted to welcome Professor Ronald Jones to TruScreen's Medical Advisory Board.

Professor Jones is a highly respected medical specialist and was a Visiting Consultant Obstetrician & Gynaecologist at National Women's Hospital in Auckland for 38 years and latterly a Clinical Professor at the University of Auckland. He is the only individual to twice be awarded the gold medal of the Asia & Oceania Federation of Obstetrics & Gynaecology.

1. Dr Richardo Lua and Dr Carmen Sura, GineMed Clinic, Guadalajara, Mexico, 2015

Looking Forward

TruScreen is optimistic for the year ahead. We have a strong distribution network in targeted markets, with an appropriate production schedule to meet our growing demands.

We commenced the sale and supply of our new Gen II Ultra device in April 2016 and it has been very well received.

In China there are growing numbers of customers using our devices and TruScreen is currently being evaluated as the preferred technology for a number of screening programs.

Whilst China remains a primary focus, sales of the new Gen II Ultra device in China will be dependent on receiving a modified CFDA Approval. In the interim, we are expediting the sales opportunities in the broader global market with a focus on access to the European Union and other select markets including the Middle East, Central Asia and Latin America where the CE Mark Certification has allowed immediate commercial access.

We are looking forward to further growth and milestone achievements as we build on the early and positive progress being made with our Gen II Ultra device. In particular, in FY17, we will be investing into an Algorithm Improvement Programme with a target to improve specificity from 80% to 90%. Once this is achieved and released to market, it will be a game changer for our company and the industry in general.

With the latest in 21st century technology and a platform that can be continually updated to retain its position at the cutting edge of cervical cancer screening, TruScreen is well positioned to compete for a share of the annual multi-billion dollar global cervical screening market.

Robert Hunter
Chairman

Martin Dillon
Chief Executive Officer

GOALS FOR FY17

Drive uptake of TruScreen technology in hospitals and military hospitals in China

Receive CFDA approval for Gen II Ultra device

Expand Harbin (China) screening programme

Build sales of Gen II Ultra device in Latin America, Central Asia and the Middle East

Establish Pan European distribution solution

Finalise algorithm improvement modelling and validate

UPCOMING DATES

END FINANCIAL HALF YEAR:
30 September 2016

ANNUAL SHAREHOLDERS' MEETING:
15 September 2016

INTERIM RESULTS RELEASED:
Dec 2016

INTERIM REPORT RELEASE:
By end January 2017

TruScreen and Cervical Cancer

Cervical Cancer

Cervical cancer, the third most common cancer in women worldwide, after breast and colorectal cancer, is a major cause of morbidity and mortality. The global burden of cervical cancer is about 530,000 new cases each year, and it is responsible for about 275,000 deaths.

China carries about 30% of the world's burden of cervical cancer. Latest estimates indicate that about 150,000 new cases are diagnosed in China each year, and that about 80,000 women die of the disease.

The median age at diagnosis is 48 years, and the majority of cases are diagnosed between the ages of 35 and 55 years, when women are in the prime of their lives.

Cervical cancer is a malignant tumour found in the tissues of the cervix. It occurs when abnormal precancerous cells in the cervix turn into cancer cells. The cancer cells break through the surface cells (epithelium) into the underlying tissue (stroma) of the cervix.

Cervical cancer most commonly begins in the cells of the transformation zone. At diagnosis, the cancer is often just within the cervix, but it may spread to tissues around the cervix (e.g. the vagina) or to other parts of the body.

Most cases of cervical cancer occur many years after infection with specific high-risk strains of human papillomavirus (HPV). Genital HPV infection is a common infection affecting the surface of different body areas, such as the cervix, vagina and vulva in women and the penis and perianal area in men.

About eight out of ten women will become infected with genital HPV at some time in their lives. Genital HPV is usually spread via the skin during sexual contact. In most women, the virus is cleared quickly by the immune system and no treatment is needed. Because there are rarely symptoms, most women are unaware they have the virus.

Existing cervical cancer screening

In the western world, highly developed National Screening Programs using the Papanicolaou smear have seen the incidence of cervical cancer decline significantly.

For example, a National Cervical Cancer Screening Program was introduced in Australia in 1992, and since that time, the incidence of cervical cancer has halved - from about 15 to about 7 per 100,000 women per year.

However, the Pap test is not effective in low-resource or developing health economies due to the lack of infrastructure and the highly trained personnel required to read the smear, as well as delays in reporting results, particularly to remote locations.

Professor Neville Hacker AM.
Chair, TruScreen Medical Advisory Committee.

THE TRUSCREEN® INITIATIVE

TruScreen offers an alternative approach to cervical cancer screening. A low cost portable diagnostic system to directly identify cancer or pre-cancerous cells in cervical tissue, TruScreen utilises opto-electric impulses, which are painlessly transmitted to the cervix via a probe.

Changes in nuclear density in the cervix modify the impulses, which are then reflected back and interpreted by a sophisticated algorithm which is built into the device. TruScreen has undergone testing in many countries including the United Kingdom, where some of the important early studies were carried out by Professor Albert Singer in London.

Women have expressed a strong preference for TruScreen over the conventional Pap smear test. With TruScreen there is no collection of tissue samples, which minimises discomfort for the patient. In addition, results are provided instantly in "real time" at the location at which the procedure is undertaken, thus removing the period of uncertainty that many women experience whilst waiting for their pap smear result to be reported to them.

TruScreen® is an objective, self-checking digital system that can be used with minimal training of medical or para-medical staff, and without the infrastructure and resource costs associated with cytology based screening. This creates a vast array of opportunities for the utilisation of the TruScreen® procedure in emerging and developing countries as well as in established developed markets which cannot afford the expensive pathology infrastructure and the highly trained diagnostic technicians.

TruScreen® is a cost effective test that can be used outside the established laboratory infrastructure and has the potential to significantly reduce worldwide cervical cancer mortality.

There are no direct competitive products with the same or similar technology available in the market. The situational competitor is cytology based tests (conventional Pap smear and Liquid Based Cytology). These alternatives are not effective in low resource or developing health economies due to the lack of infrastructure and the highly trained personnel required to read the smear, as well as delays in reporting results, particularly to remote locations. TruScreen®'s real time, objective and easy to use features overcome all of the drawbacks of cytology based tests.

The TruScreen® technology

TruScreen® is a portable real time opto-electric tissue analysis device for the detection of the precursor stage of cervical cancer - cervical intraepithelial neoplasia (CIN).

It uses signals from a combination of biosensors (visible and infrared light spectroscopy and tissue capacitance), which is then compared with proprietary algorithms to an integrated database of tissue signatures from over 2,000 women. A disposable single use sensor is used for each patient tested.

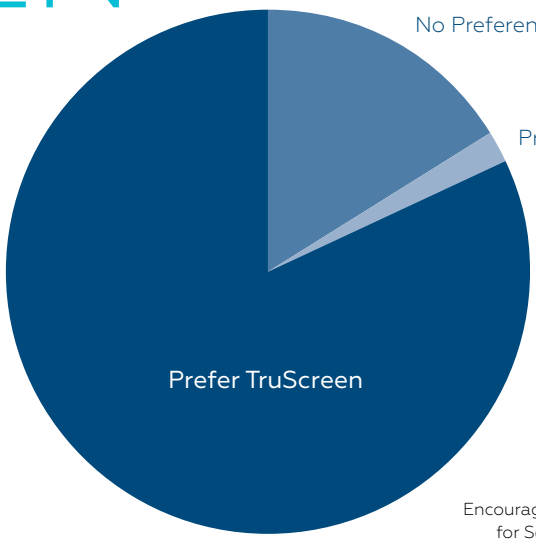
TruScreen® has been extensively evaluated in studies involving more than 10,000 women worldwide, and it has been shown to detect cervical cancer and its precursors just as frequently as a top quality conventional Pap test. As well as high accuracy, TruScreen® provides:

- An instant report/diagnosis;
- A solution which is not reliant on highly trained medical staff to interpret the results of the TruScreen® test;
- A cost effective solution which can be utilised outside established laboratory infrastructure for diagnosis;

A preferred alternative testing methodology to the Pap smear test for women.

WOMEN PREFER TRUSCREEN

In a study conducted by Prof Singer, Mould et al at the Whittington Hospital, London, over 80% of women professed a decided preference for TruScreen being used to conduct their cervical cancer screening.



Encouraged to attend for Screening 82%

The TruScreen Advantage

TruScreen® is a low cost portable diagnostic system to directly identify cancer or pre-cancerous cells in cervical tissue. Unlike the conventional Pap smear test, tissue samples are not collected, which minimises discomfort for the patient, and results are provided instantly in "real time" at the location at which the procedure is undertaken.

Feature	Benefit	Clinical Advantage
Real-time results	Immediate feedback to patient and operator.	Patient can be treated if necessary at time of visit. Patient not lost to follow-up with delayed reporting.
Objective result	Accurate result every time.	Reproducible, consistent results to confirm accuracy.
No lab facility needed	Greater access to women in remote communities. Easy to use.	No qualified cytologists needed. Suitable for remote areas and developing countries. Cost savings in resources / overheads.
High sensitivity	Assured level of performance. High standard of cervical screening.	Improved ability to detect disease and save lives. Economic savings to global healthcare systems.
Automated device and error-checking during examination	Consistent and accurate results.	No chance of an unsatisfactory result.
Tissue samples NOT collected	No pain or discomfort to the patient.	Patient more likely to return for repeat screen.

TruScreen Directors

Robert Hunter

Mr. Hunter has been a significant investor in the TruScreen® intellectual property and business operations over a 20 year period. Mr Hunter has invaluable knowledge of TruScreen's commercial operations including Sales and Marketing, Production, Regulatory and Financial Performance.

Mr. Hunter is a Commerce graduate and Fellow of the Institute of Chartered Accountants in Australia with 35 years business experience. He is currently the principal of a Chartered Accounting and Corporate Advisory Practice based in Sydney.

Mr. Hunter has past experience as a Director and Chairman of numerous public and private companies involved in a broad range of business activities including property, financial services, retailing, telecommunications, bio-technology and funds management.

Mr. Hunter has held honorary roles in a number of charitable, educational and sporting organisations over a 20 year period.

Christopher Horn

Mr. Horn has been involved with TruScreen® for a number of years and has acquired a good working knowledge of the management operations of TruScreen.

He is a Commerce graduate from the University of New South Wales and a Fellow of the Institute of Chartered Accountants in Australia. He has in excess of 40 years business experience including 20 years as a Partner of KPMG, and its predecessor firms. He acted in a number of management roles, including National CFO.

Mr. Horn is a director of a number of private companies (here in Australia, Latin America and China) involved in a broad range of business activities including corporate advisory, financial services, telecommunications, bio-technology and funds management.

Sean Joyce

Mr. Joyce is a corporate and commercial lawyer with over 20 years experience in the corporate sector. Sean holds a Bachelor of Arts and a Bachelor of Laws (Honours) from Auckland University.

Sean specialises in the corporate/commercial sector with a particular focus on the capital markets and securities laws - regulatory compliance, fund raising and offerings of various types of securities in New Zealand. Sean has been involved in a large number of IPOs, reverse listings and takeovers in New Zealand and Australia.

Sean is a principal in an Auckland based capital markets advisory firm that specialises in assisting companies to list on the NXT Market operated by NZX.

Sean is a non-executive director of a number of New Zealand listed companies and is also a non-executive director of New Zealand's largest early child care provider. Sean is a member of the Institute of Directors.

Tim Preston

Mr. Preston is a professional director and former stock broker who has held senior roles at several large investment firms and brokerages.

Tim has over 35 years experience as an analyst, advisor, shareholder and director, including eight years as Managing Director of ASB Securities, and before that, Managing Director of ANZ McCaughan. He was an NZX Full Individual Member for 20 years.

Tim was a founding member of NZX Discipline, a founding member of the Securities Industry Association (SIA), is a Certified Finance and Investment Professional (CFIP) and is a director of a number of private and public New Zealand companies. He is a member of the New Zealand Institute of Directors, Certified member of INFINZ, was a founding participant of Auckland University's Hilary Leadership Programme and is Chairman of the New Zealand Multiple Sclerosis Research Trust.

TruScreen Leadership Team

Martin Dillon

Chief Executive Officer

Mr. Martin Dillon's particular expertise is in sales and marketing of women's health products. More importantly, Mr. Dillon was previously responsible for the development of TruScreen's initial commercialisation and global roll-out of the distribution network.

As a previous Chair of the TruScreen Operations Committee, Mr. Dillon has a good working knowledge of the production of the product and its development and registration processes. He knows and has a working relationship with other TruScreen specialists, and key contacts in the target markets, particularly China and Korea.

Mr. Dillon studied Law at Sydney University and has held honorary roles for the Australian Defence Department, the Australian Olympic Committee and Surf Life Saving.

Dr Jerry Tan

General Manager – International Business Development

Dr. Jerry Tan holds degrees in Commerce and Medicine and is a qualified Gynaecologist from China. He is fluent in English and Mandarin.

Dr. Tan has extensive knowledge of the TruScreen product and has been involved in establishing the market in China, including, identification of distributors, product registration, market evaluation, and the conduct of clinical trials.

In addition to his overall role as General Manager Commercial, Dr. Tan heads up the TruScreen operations in East Asia including China, the Philippines and South Korea.

Paul Curran

General Manager – Operations

Mr. Paul Curran has a Bachelor of Science, specialising in all areas of Medical Device Licensing, including Quality Assurance for New Product Development, Technical File development and Audit and Risk Assessment.

He is an expert in the fields of Healthcare Compliance and the control of manufacturing, including subcontractors, for the delivery of a quality assured product on time.

Mr. Curran has been involved with the TruScreen product for many years and is responsible for manufacturing, research and development, registrations and quality assurance.

Dr. Graham Pulford, PhD

Senior Algorithm Engineer

Dr. Graham Pulford has over 25 years' experience in statistical signal processing algorithm development for a variety of systems in biology and defence science. Having worked in Australia, France and the United Kingdom, he has achieved international recognition for his research in estimation, filtering theory and data association, which underpin many modern machine learning techniques.

Author of over 20 papers in refereed journals and holder of 3 patents, he has developed innovative techniques for modelling neurological ion channels and human muscles, as well as detection and tracking algorithms for the Jindalee over-the-horizon radar and the Collins class submarine sonar system. Dr Pulford holds degrees in electrical engineering and applied mathematics from UNSW, and a Ph.D. from the Australian National University. He is a Senior Member of the IEEE.

TruScreen Leadership Team Continued

Julia Follett

Manager – Marketing and Corporate

Ms. Julia Follett has a Bachelor of Business, specialising in International Business, Employment Relations and Cross Cultural Communications.

Ms. Follett has been working within the Marketing and Communications sector for over 5 years in several areas of the industry – working within publishers, agencies and clients to bring to life communications, design and advertising to best promote a wide range of products.

Ms. Follett is responsible for the marketing and communication of the TruScreen device.

Ms. Follett also assists in all matters of corporate administration.

Emily Etchell

BioMedical Engineer

Ms. Emily Etchell holds a Bachelor's of Mechatronic Engineering and a Masters of BioMedical Engineering.

Ms. Etchell has prior experience in investigating tissue properties s an indicator of pathophysiological changes having previously used Magnetic Resonance Elastography to establish a healthy benchmark of paediatric liver mechanical properties.

Ms. Etchell has also spent time abroad with the Laboratory of Medical Mechatronics at the National University of Singapore working in areas of stereo computer vison and real-time object tracking.

In addition to her role as BioMedical Engineer, Ms. Etchell is the TruScreen Quality Management Representative.

Medical Advisory Board

Professor Neville Hacker AM

Clinical Advisory - Professor of GynaecologyChairman

The TruScreen Medical Advisory Board is led by Professor Neville Hacker AM, a role that he has maintained for over 10 years. Professor Hacker is the director of the Gynaecological Cancer Centre, Royal Hospital for Women in Sydney and Professor of Gynaecological Oncology at the University of New South Wales.

He is a past President of the Society of Pelvic Surgeons. He is a past President of the International Gynaecological Cancer Society, former Chairman of the Oncology Committee of the RANZCOG and a former Chairman of Examiners for Gynaecologic Oncology, RANZCOG.

Professor Ronald William Jones CNZM,

MB ChB, MD (Otago), FRCS(Ed), FRCOG, FRANZCOG, FAOFOG(Hon).

Professor Ron Jones is a New Zealand medical graduate. Following 6 years postgraduate training in England he returned to the National Women's Hospital in Auckland, New Zealand where he was a Visiting Consultant Obstetrician & Gynaecologist for 38 years and latterly a Clinical Professor at the University of Auckland.

He has published extensively in the field of lower genital tract pre-malignancy and has lectured in over 30 countries. Professor Jones is a past President of the International Society for the Study of Vulvovaginal Disease and a past Chairman of the Scientific Committee of the International Federation of Cervical Pathology and Colposcopy.

In addition, Professor Jones is the only individual to twice be awarded the gold medal of the Asia & Oceania Federation of Obstetrics & Gynaecology.

Colonel (Dr.) Michael J. Campion

RAAMC, CStJ, KM, KCHS, KLJ

Colonel (Dr.) Michael J. Campion is a Senior Staff Specialist and Head of the Pre Invasive Clinic at the Gynaecological Cancer Centre of the Royal Hospital for Women in Sydney and is a Conjoint Associate Professor, School of Women's and Children's Health at the University of New South Wales. He has over 30 years experience as a qualified medical practitioner and over 20 years of experience as an expert colposcopist.

In addition, Dr. Campion is the Director, Health Services Army Reserve – Eastern Region for the Royal Australian Army Medical Corps and is both a Board member and National Hospitaller, St John Ambulance, Australia. Dr. Campion has written numerous peer reviewed papers and chapters on cervical cancer, including papers on TruScreen®.

Expert Advisors

Dr. John Blakemore

R & D Steering CommitteePhD, CMC,CPEng, BSc, ASNT, Hon DUniv(Newc)

A former president of the Manufacturing Society of Australia, Dr. John Blakemore is a Certified Professional Engineer (Aust and UK), a Certified Management Consultant and a Certified Quality Management Consultant. Dr. Blakemore has over 40 years experience in manufacturing engineering, and as a consultant has delivered over 844 reports for over 400 companies in 15 countries.

For six years Dr. Blakemore served as a Research and Development Advisor to the Australian Government. He has authored several books on quality and manufacturing and received numerous awards and prizes. Dr. Blakemore was awarded the "Distinguished Service Award in Industrial Engineering and Operations Management" in January 2014 at the International Conference in Industrial Engineering and Operations Management.

As well as being the recipient of The International Nickel Fellowship, Dr. Blakemore was recognized by the Australian Institution of Engineers as being amongst the top 10 engineers in Australia for engineering expertise for his contributions to re-engineering businesses and the development and commercialisation of new products and processes.

Adjunct Professor Alan E. Bennett

Legal Advisor – International LawLLM (Hons)

Professor Alan Bennett has for 11 years been the Principal of Alan Bennett Legal, and specialises in International Export Law. He has also for the past 16 years been an Adjunct Professor at Sydney University Post Graduate Faculty of Law.

Professor Bennett gained his Masters Degree with first class honours from the University of Technology, Sydney and prior to establishing Alan Bennett Legal was the founding partner at KPMG Legal. Before that he was a partner at Baker and Mckenzie. Professor Bennett has written a number of texts including "The Guide to the Australia-United States Free Trade Agreement" and "The Guide to Risk Management in Imports/Exports".

Professor Bennett as a member of the IMF legal team based in Washington, DC, has written Import and Export law and policy for countries seeking legal drafting and policy assistance from the IMF.

Professor Bennett's expertise involves assisting major United States and EU clients importing into the Asian region to identify trade barriers and consider available options.

SHAREHOLDER INFORMATION

Issued Capital as at 1st July 2016

TRU(NZL)	164,766,666
Current Holders	2,566

Investor Domicile at 1st July

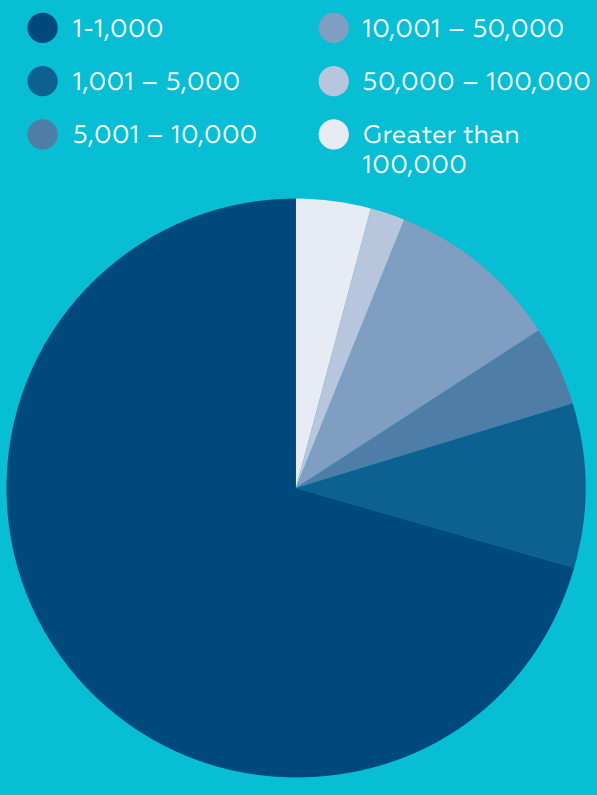
Holders

New Zealand	2431
Rest of World	135

Issued Capital

New Zealand	104,140,200
Rest of World	60,626,466

Investor Ranges TRU(NZL) as at 1st July 2016



Top 20 Shareholders

Name of Shareholder	Number of Shares Held	Percentage of Issued Share Capital
Consolidated Nominees Pty Ltd	29,477,400	17.89%
Waitara Trustees Limited	18,622,222	11.30%
Consolidated Nominees Pty Ltd	10,000,000	6.07%
Lah Investment Co Pty Ltd	10,000,000	6.07%
Albert Nominees Limited	10,000,000	6.07%
Cbt Trustee Limited	10,000,000	6.07%
Idl Trustee Limited	10,000,000	6.07%
New Zealand Central Securities Depository Limited	8,729,127	5.30%
Samuel Hamish Macdonald	3,410,000	2.07%
FNZ Custodians Limited	1,896,132	1.15%
James Winston Hunter & Elizabeth Henderson Hunter	1,876,600	1.14%
Valerie Anne Hunter	1,785,920	1.08%
Custodial Services Limited	1,687,550	1.02%
Investment Custodial Services Limited	1,450,471	0.88%
Custodian Nominee Company Limited	1,350,000	0.82%
Leveraged Equities Finance Limited	1,285,075	0.78%
Ncd Trustee Limited	1,150,000	0.70%
Stuart Macintosh & Denise Macintosh	1,128,000	0.68%
Kelvin Clifford Deal & Kathleen Mary Deal	1,099,633	0.67%
Michael Jeremy Thomas Stokes	1,060,000	0.64%
Forsyth Barr Custodians Ltd	1,050,234	0.64%
Anna Kathryn Kingston	1,000,000	0.61%
Michael Bruce Guthrie	880,000	0.53%
John Francis Hunter	840,080	0.51%

Financial Statements and Auditors Report

FOR THE YEAR ENDED 31 MARCH 2016

Consolidated Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 March 2016

	Note	2016	2015
		$	$
Revenue from the sale of goods	5	472,104	1,574,585
Other income	5	1,370,317	645,982
Changes in inventories		(48,405)	(835,439)
Purchases of inventory		(204,530)	(286,268)
Employee benefit expenses and directors' fees	6	(946,914)	(731,548)
Administration	6	(365,721)	(244,861)
Research expenses		(171,959)	(142,850)
Stock for demonstration	6	(292,493)	-
Rent		(97,826)	(96,835)
Travel		(127,883)	(108,619)
Marketing, & product approvals		(291,164)	(59,763)
Insurance		(74,106)	(63,929)
Shareholder relations & services		(93,309)	(151,682)
Foreign exchange loss		-	(108,997)
Amortisation & depreciation	6	(400,800)	(64,225)
Finance costs	7	(24,240)	(17,628)
Loss before income tax		(1,296,929)	(692,077)
Income tax expense	8	-	-
Loss for the period		(1,296,929)	(692,077)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign subsidiary operations	20	640,217	(305,219)
Other comprehensive income for the period		640,217	(305,219)
Total comprehensive income for the period		(656,712)	(997,296)
Basic (losses) / earnings (cents per share)	10	(0.8)	(0.5)
Diluted (losses) / earnings (cents per share)	10	(0.8)	(0.5)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2016

	Note	2016	2015
		$	$
CURRENT ASSETS			
Cash and cash equivalents	11	2,304,698	534,285
Trade receivables	12	386,052	1,256,524
Other receivables	12	1,170,737	644,539
Goods and services taxes recoverable		62,606	33,976
Inventories	13	58,582	106,988
Other assets – prepayments		166,557	-
TOTAL CURRENT ASSETS		4,149,232	2,576,312
NON-CURRENT ASSETS			
Plant and equipment	15	6,951	2,126
Intangible assets	16	10,419,664	8,065,957
TOTAL NON-CURRENT ASSETS		10,426,615	8,068,083
TOTAL ASSETS		14,575,847	10,644,395
CURRENT LIABILITIES			
Trade and other payables	17	352,447	351,008
Provision for employee benefits	18	76,987	28,404
Borrowings	19	-	407,800
TOTAL CURRENT LIABILITIES		429,434	787,212
NET ASSETS		14,146,413	9,857,183
EQUITY			
Issued capital	9	17,840,460	12,921,275
Share option reserve	20	172,712	145,955
Foreign currency translation reserve	20	(297,576)	(937,793)
Accumulated losses		(3,569,183)	(2,272,254)
Total Equity		14,146,413	9,857,183

On behalf of the board as at 28 July 2016

Robert Hunter - Chairman

Christopher Horn - Director

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2016

	Note	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
		$	$	$	$	$
Balance at 1 April 2014		12,495,593	(1,580,177)	(632,574)	119,024	10,401,866
Loss for the period to 31 March 2015		-	(692,077)	-	-	(692,077)
Exchange differences on translating foreign subsidiary operations	20	-	-	(305,219)	-	(305,219)
Total comprehensive income for the period		-	(692,077)	(305,219)	-	(997,296)
Transactions with owners, in their capacity as owners						
Issue of ordinary shares	9	425,682	-	-	-	425,682
Share based payment	21	-	-	-	26,931	26,931
Total transactions with owners		425,682	-	-	26,931	452,613
Balance at 31 March 2015		12,921,275	(2,272,254)	(937,793)	145,955	9,857,183
Balance at 1 April 2015		12,921,275	(2,272,254)	(937,793)	145,955	9,857,183
Loss for the period to 31 March 2016		-	(1,296,929)	-	-	(1,296,929)
Exchange differences on translating foreign subsidiary operations	20	-	-	640,217	-	640,217
Total comprehensive income for the period		-	(1,296,929)	640,217	-	(656,712)
Transactions with owners, in their capacity as owners						
Issue of ordinary shares	9	4,919,185	-	-	-	4,919,185
Share based payment	21	-	-	-	26,757	26,757
Total transactions with owners		4,919,185	-	-	26,757	4,945,942
Balance at 31 March 2016		17,840,460	(3,569,183)	(297,576)	172,712	14,146,413

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Note	2016	2015
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers		1,050,083	337,415
Cash paid to suppliers and employees		(2,386,515)	(1,846,658)
Cash received from 45% refundable tax offset	1(e)	679,855	-
Interest paid		(24,240)	(22,562)
Interest received		18,713	5,008
Net cash to operating activities	22	(662,104)	(1,526,797)
CASH FLOW FROM INVESTING ACTIVITIES			
Development of intangible asset – development costs of upgraded cervical cancer console	16	(2,071,893)	(862,616)
Purchase of plant and equipment		(6,975)	-
Net cash to investing activities		(2,078,868)	(862,616)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	5,080,000	429,000
Repayment of convertible notes	19	-	(750,000)
Proceeds of new borrowing	19	-	407,800
Repayment of new borrowing	19	(407,800)	-
Share issue costs	9	(160,815)	(3,318)
Net cash from financing activities		4,511,385	83,482
Net increase in cash and cash equivalents		1,770,413	(2,305,931)
Cash and cash equivalents at beginning of period		534,285	2,840,216
Cash and cash equivalents at end of period	11	2,304,698	534,285

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2016

NOTE 1.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

These consolidated financial statements and notes represent those of Truscreen Limited and its subsidiaries (the "Group"). References to "Truscreen" are used to refer both to the Group and Truscreen Limited (the "Company").

The parent company, Truscreen Limited, is the ultimate legal parent company of the Group and is a limited liability company incorporated and domiciled in New Zealand. It is registered under the Companies Act 1993. Truscreen is listed on the NZX Alternative Market ("NZAX"). Truscreen is a FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

The registered office of the Company is Suite 107, Geyser Building, Parnell Road, Parnell, Auckland, 1052 New Zealand.

The Group is engaged in the business of the development, manufacture and sale of cancer detection devices and systems.

The financial statements were authorised for issue on 28 July 2016 by the Directors of the company.

Basis of Measurement

Items included in the financial statements of each of the Group's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency").

The functional currency of Truscreen Pty Ltd has been determined as Australian Dollars.

The functional currency of Truscreen Ltd has been determined as New Zealand Dollars.

Basis of Preparation

These financial statements have been prepared in accordance and comply with Part 7 of the Financial Markets Conduct Act 2013 and the NZAX Listing Rules.

For the purpose of complying with generally accepted accounting practice in New Zealand ("NZ GAAP") the Group is a for-profit entity. These financial statements comply with NZ GAAP, New Zealand equivalent to International Financial Reporting Standards ("NZ IFRS") and International Financial Reporting Standards ("IFRS").

These financial statements have been prepared under the historical costs convention, modified by the revaluation of certain assets and liabilities as identified in specific accounting policies below.

The financial statements are presented in New Zealand Dollars and have been rounded to the nearest dollar.

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

a. Going Concern

The Group financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the reasons described below there is apparent uncertainty as to whether the Group will continue as a going concern. For the year ended 31 March 2016:

- The Group continues with the process of establishing its business. The Group has certain regulatory approvals for its products, is seeking more approvals, and continues to develop its business model and customer base.
- There are a number of risks impacting the business as it becomes established, including those outlined in Note 2 below which may impact the Group's ability to successfully establish and achieve its sales and cash flow forecasts for the next five years.
- The Group incurred a loss of $1,296,929 (2015 - $692,077), in a year of less revenue.
- The group had net cash out-flows from operations and investment activities of $2,740,972 (2015 - $2,389,413).

The Directors consider the going concern basis of the Group Financial Statements be appropriate as:

- At 31 March 2016 the Group had a net working capital surplus of $3,719,798 (2015 - $1,789,100).
- Forecast cash flows indicate sufficient cash for the Group to meet its ongoing operating costs for 12 months from the date of issue of the financial statements. In making this assessment the Directors have considered a sales based scenario as well as a scenario to reflect minimum sales being achieved.

Managing cash flows is a critical focus as the business executes the strategies adopted by the Directors for the successful establishment of the business and achievement of sales and cash flow forecasts.

If the going concern assumption is not valid, the Group is:

- unlikely to realise the value in its intangible assets which are carried in the financial statements at $10,419,664 (2015: $8,065,957);
- may not be able to realise the trade receivables which are carried in the financial statements at $386,052 (2015: $1,256,524); and
- may not be able to discharge its liabilities in the normal course of business.

b. Principles of Consolidation

Truscreen Pty Limited is the wholly owned subsidiary of Truscreen Limited which was specifically incorporated for the purposes of acquiring the Truscreen Pty Limited business (the "Transaction"). Refer to Note 23 for further information on the "Transaction". Truscreen Limited is the legal acquirer, and legal parent of the Group.

For financial reporting purposes, aspects of "reverse acquisition" accounting are relevant. Specifically, the rules require that Truscreen Pty Limited be treated as the accounting acquirer of Truscreen Limited due to the fact that the owners of Truscreen Pty Limited owned the largest single minority voting interest in the resulting Group, post Transaction.

The Transaction has been accounted for as a continuation of the financial statements of Truscreen Pty Limited, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Truscreen Limited. This deemed issue of the shares is, in effect, a share-based payment transaction whereby Truscreen Pty Limited is deemed to have received the net assets of Truscreen Limited.

As such, the consolidated financial statements are issued in the name of the legal Parent, Truscreen Limited, but are a continuation of the financial statements of the legal subsidiary Truscreen Pty Limited.

The Group financial statements also include Truscreen Ltd (UK) which was acquired by Truscreen Pty Limited on 6 November 2013.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

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

c. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Truscreen Limited Group Board. To date the operations have been reported as one segment. Accordingly:

- the segment results are as reported in the Statement of Profit or Loss and Other Comprehensive Income.
- the segment assets and liabilities are as in the Statement of Financial Position.

d. Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity (the "functional currency"). The financial statements are presented in New Zealand dollars, which is Truscreen Limited's functional currency.

The functional currencies of the subsidiaries are

Subsidiary	Country of Incorporation	Functional Currency
TruScreen Pty Limited	Australia	Australian dollar
TruScreen Ltd (UK)	UK	Great Britain Pound

Transactions and balances

Transactions in currencies other than the functional currency are translated at the foreign exchange rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at reporting date exchange rates are recognised as part of the loss for the period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Translation of group companies' functional currency to presentation currency

Assets and liabilities of all of the Group companies that have a functional currency that differs from New Zealand dollars are translated to the presentation currency at foreign exchange rates ruling at the closing rate at the date of the Statement of Financial Position. Income and expenses are translated using the rate at the date of the transaction. All differences arising from the translation of foreign operations are recognised in the foreign currency translation reserve in other comprehensive income.

e. Revenue Recognition

Revenue from the sale of goods is recognised at the point of delivery, which is deemed to be at dispatch of goods, per the Group's terms and conditions of sale. This corresponds to the point of transfer of the significant risks and rewards of ownership of the goods.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Revenue is stated net of the amount of goods and services tax.

The "R&D Grant" represents a 45% refundable tax offset which is receivable from the Commonwealth Government of Australia. Under the 45% refundable tax offset programme, 45% of eligible research and development spending incurred by the Group is refundable by the Commonwealth Government.

R&D Grants are recognised at their fair value where there is reasonable assurance that the grant will be received. The offset does not have to be repaid to the Commonwealth Government and is treated as income in accordance with NZ IAS 20 – "Accounting for Government Grants and Disclosure of Government Assistance" and recognised in the same period as the related research and development expenditure. This is disclosed as other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The expenditure for which an offset is claimed is non-deductible and accordingly reduces tax losses that otherwise would be available to be carried forward.

Interest revenue is recognised using the effective interest rate method.

f. Income Tax

Income tax expense comprises current and deferred tax where applicable. Income tax expense is recognised in profit and loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income, in which case the tax is recognised in the same manner as the underlying transaction.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for t axation purposes. Deferred tax is not recognised for the following temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

g. Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

First-In-First-Out (FIFO) method is used to determine the cost of ordinarily interchangeable items.

h. Goods and Services Tax (GST)

The profit and loss has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

i. Statement of Cash Flows

The following is the definition of the terms used in the Statement of Cash Flows:

(i) Cash and cash equivalents means cash held at banks, and term deposits that can be liquidated in less than 90 days in which the Group has invested in as part of its day to day cash management.

(ii) Investing activities are those relating to acquisition of subsidiaries, the addition, acquisition and disposal of property, plant and equipment and intangibles.

(iii) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group.

(iv) Operating activities include all transactions and other events that are not investing or financing activities.

j. Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables, and borrowings. The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments and available for sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investment at initial recognition, and re-evaluates this designation at every reporting date. At the reporting date all of the Group's financial assets were classified as loan and receivables. Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses. Receivable and payables of short-term duration are not discounted as the effect of discounting is not considered to be material.

Cash and Cash Equivalents

Cash and cash equivalents means cash on hand, cash held in banks, and term deposits that can be liquidated in less than 90 days in which the Group has invested in as part of its day to day cash management.

Trade and Other Receivables

Trade and other receivables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, less allowance for impairment. Trade receivables are due for settlement no more than one month from the date of recognition.

Allowances have been made for accounts estimated to be doubtfully recoverable. Such amounts have been deducted from the respective accounts. When amounts are considered uncollectible they are written off against this provision.

Trade and Other Payables

Trade and other payables amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The amounts are unsecured and are usually paid within a month of recognition.

Borrowings

Borrowings are recognised initially at fair value, plus directly attributable transaction costs. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit and loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

k. Impairment - Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount is a reasonable approximation of fair value. The amount of the allowance is recognised in the profit and loss.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. Factors that are usually considered objective evidence of impairment include significant financial difficulties of the debtor, probability the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments.

All impairment losses are recognised in the profit and loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. The reversal is recognised in the profit and loss.

l. Plant and Equipment

Plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all plant and equipment is depreciated over the asset's useful life to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for depreciable assets are:

- Computer hardware at 50% diminishing value.
- Calibration oven at 16.67% diminishing value.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the profit or loss.

m. Impairment - Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Additionally, intangible assets not available for use are tested annually, irrespective of whether there is any indication of impairment by comparing its carrying amount with its recoverable amount. Intangible assets acquired during the current financial period are tested for impairment before the end of the current financial period.

The recoverable amount of an asset or cash generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. Estimated future cash flows will be discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

All intangibles have been treated as one cash generating unit. Cash inflows cannot be identified to particular intangible assets or particular groups of intangible assets. This is as the cash flows arising from the cancer detection business requires utilisation of all the particular intangibles.

Impairment losses are recognised in the profit and loss. Impairment losses recognised in respect of CGU's reduce the carrying amounts of the assets in the CGU on a pro-rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

n. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired from Ure Lynam Financial Services Pty Limited are recognised at cost which is determined based on fair value. Intangible assets with finite useful lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

The Intellectual Property of the Group is stated at cost less any impairment losses and are amortised on the straight-line basis over the estimated economic life of 20 years.

Research & Development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit and loss as incurred.

Development costs are capitalised where future benefits are expected to exceed those costs otherwise such costs are recognised in the profit and loss in the period in which they are incurred. Development activities involve a plan or design for the production, and the development or enhancement of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically or commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs.

Capitalised development costs are not yet available for use. Unamortised costs are reviewed at each reporting date to determine the amount (if any) that is no longer recoverable, and any amount so identified is written off.

o. Share Capital

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

p. Employee Benefits

An accrual is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled on an undiscounted basis. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds (of the country where the employment contract exists) with terms to maturity that match the expected timing of cash flows.

q. Share Based Incentive Plan

The Group operates a share-based incentive plan under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of the instruments is recognised as an expense.

The total amount to be expensed is determined by reference to the fair value of the awards granted. At the end of each reporting period, the Group revises its estimates of the number of awards that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

r. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time that the assets are ready for their intended use or sale. Finance costs comprise interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest method.

s. Accounting Standards Issued but not yet Effective

At the date of these financial statements, the following accounting standards have been issued which are not yet effective which could have a material financial impact on the financial statements of the Group.

NZ IFRS 9 – Financial Instruments

The NZ IFRS 9 will be adopted by the Group for the first time for its financial reporting period ended 31 March 2019.

NZ IFRS 9 includes amended classification requirements for financial assets and financial liabilities, and amended requirements for impairment of financial assets and for hedge accounting (whilst there may be some disclosure changes the impacts of this standard is not considered to be significant for the Group).

NZ IFRS 15 – Revenue from contracts with customers

Addresses recognition of revenue from contracts with customers. It replaces the current revenue recognition guidance in NZ IAS 18 Revenue and NZ IAS 11 Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group has yet to assess NZ IFRS 15's full impact. The Group will apply this standard from the Financial Year beginning 1 April 2018.

There are no other standards, amendments or interpretations that are not yet effective that would be expected to have a material impact on the Group.

NOTE 2.
CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions concerning the future that affects the amounts reported in the financial statements. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Intangibles*

  Truscreen Pty Limited acquired all intellectual property related to the Truscreen product on 27 August 2013 from an entity, which at the time of the transaction, was owned by a company controlled by Mr. Robert Hunter, through a share based payment. This intellectual property has been recognized in the financial statements at cost less amortisation. The Directors elected to determine cost based on fair value in line with the accounting policy of the Group.

  Development costs were capitalised in accordance with the accounting policy for research and development.

  The Directors tested the intangibles for impairment at the reporting date by having management prepare a series of cash flows of the Group (the cash-generating unit), based on the expectations about possible variations in the amount or timing of those cash flow, and the choice of a suitable discount rate in order to calculate the present value of those cash flows. Note 16 provides detailed information about the valuation techniques, inputs and key assumptions used in the testing for impairment.

- *Impairment of trade receivables*

  The Group reviews the credit worthiness of its customers in determining whether any are impaired. At 31 March 2016 the Group did not consider any of its receivables as impaired. If the financial condition of its customers were to deteriorate impairment loss may occur – refer note 12.

- *Recognition of deferred taxation assets*

  The benefit of deferred tax arising from tax losses and temporary differences has not been recognised as disclosed in Note 8.

The critical accounting estimates and judgements noted above are subject to a number of principal business risks relevant to a business refining its product offering and establishing sales channels.

Although the Directors have in place risk management strategies to counter these risks where possible, the Directors cannot give any guarantee or assurance that the strategies in place will fully mitigate or remove the risks. The following, while not an exhaustive list, outlines a number of business risks which should be considered when evaluating critical accounting estimates and judgments:

Early Stage and Speculative Nature of the TruScreen Business

The Truscreen business is an early stage business. The Truscreen business is not the subject of any fixed term contractual arrangements at this time and there are no guaranteed recurring regular income streams for the Truscreen business. As a result of no historical information available on our revenue trends and operations for our cancer detection programs it is difficult to evaluate our business. Our prospects must be considered in light of the substantial risks, expenses, uncertainties and difficulties encountered by entrants into the medical device industry, which is characterised by increasing intense competition and a high failure rate. As a new business we have minimal sales history and therefore we currently operate at a loss. Our operating losses may continue if anticipated sales are not achieved.

Competition

Truscreen competes with numerous other developers and suppliers of similar product offerings and services, and the barriers to entry for more competition are not prohibitive. Competition from other service providers is significant and changes in the composition and extent of competitors has the potential to present opportunities, and or impact on Truscreen's market share and profitability.

Truscreen is susceptible to being overtaken by other more established and larger organisations if they aggressively expand and integrate new technologies.

Furthermore, our competitors may succeed in developing, either before or after the development and commercialisation of our products, devices and technologies that permit more efficient, less expensive non-invasive and less invasive cancer detection. It is also possible that one or more pharmaceutical or other health care companies will develop therapeutic drugs, treatments or other products that will substantially reduce the prevalence of cancers or otherwise render our products obsolete.

Unsuccessful Marketing

We may not be able to generate sufficient sales revenues to sustain our growth and strategy plans.

Truscreen sets annual growth targets which are reviewed regularly in the light of prevailing market conditions. Despite the best endeavours of Truscreen and its distributors it is possible, that Truscreen's initiatives to market its offerings could fail or not produce the projected levels, which may have an adverse impact on the financial position and performance of Truscreen.

Our products, which use different technology or apply technology in different ways than other medical devices, are or will be new to the market. As a result, we may not be successful in launching our products and our operations and growth would be adversely affected.

Our products are based on new methods of cancer detection. If our products do not achieve significant market acceptance, our sales will be limited and our financial condition may suffer. Physicians and individuals may not recommend or use our products unless they determine that these products are an attractive alternative to current tests that have a long history of safe and effective use.

To date, our products have been used by only a limited number of people, and few independent studies regarding our products have been published. The lack of recent independent studies limits the ability of doctors or consumers to compare our products to conventional products.

If we are unable to compete effectively in the highly competitive medical device industry, our future growth and operating results will suffer. The medical device industry in general and the markets in which we expect to offer products in particular, are intensely competitive. Many of our competitors have substantially greater financial, research, technical, manufacturing, marketing, and distribution resources than we do and have greater name recognition and lengthier operating histories in the healthcare industry. We may not be able to effectively compete against these and other competitors. A number of competitors are currently marketing traditional laboratory-based tests for cervical cancer screening and diagnosis.

These tests are widely accepted in the health care industry and have a long history of accurate and effective use.

Furthermore, if our products are not available at competitive prices, health care administrators who are subject to increasing pressures to reduce costs may not elect to purchase them. Also, a number of companies have announced that they are developing, or have introduced, products that permit non-invasive and less invasive cancer detection. Accordingly, competition in this area is expected to increase.

Ongoing Regulatory Approvals

Ongoing compliance with good manufacturing practice and other applicable regulatory requirements will be strictly enforced in many foreign countries through periodic inspections by state and federal agencies, including the CFDA, and in other international jurisdictions by comparable agencies. Failure to comply with these regulatory requirements could result in, amongst other things, warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure to obtain premarket clearance or premarket approval for devices, withdrawal of approvals previously obtained, and criminal prosecution. The restriction, suspension or revocation of regulatory approvals or any other failure to comply with regulatory requirements would limit our ability to operate and could increase our costs.

In addition to these ongoing regulatory approval risks there is also risk associated with delayed regulatory approvals. Truscreen's continued growth will in part depend upon regulatory approvals in both new markets and for new products. Unforeseen delays in the granting of these new regulatory approvals would have a negative effect upon Truscreen's future commercial success.

Third-party Reimbursement

In many countries, sales of medical products are dependent, in part, on the ability of consumers of these products to obtain reimbursement for all or a portion of their cost from third-party entities, such as government and private insurance plans.

Reimbursement and healthcare payment systems in international markets vary significantly by country and include both government-sponsored health care and private insurance.

We may not be able to obtain approvals for reimbursement from these international third-party entities in a timely manner, if at all. Any failure to receive international reimbursement approvals could have an adverse effect on market acceptance of our products in the international markets in which approvals are sought.

Any inability of patients, hospitals, physicians and other users of our products to obtain sufficient reimbursement from third-party entities for our products, or adverse changes in relevant governmental policies or the policies of private third-party entities regarding reimbursement for these products, could limit our ability to sell our products on a competitive basis.

We are unable to predict what changes will be made in the reimbursement methods used by third-party entities. Moreover, third-party entities are increasingly challenging the prices charged for medical products and services, and some healthcare providers are gradually adopting a managed care system in which the providers contract to provide comprehensive healthcare services for a fixed cost per person.

Patients, hospitals and physicians may not be able to justify the use of our products by the attendant cost savings and clinical benefits that we believe will be derived from the use of our products, and therefore may not be able to obtain third-party reimbursement.

Intellectual Property

Our success depends in large part upon our ability to establish and maintain the proprietary nature of our technology through the patent process, as well as our ability to license from others patents and patent applications necessary to develop our products. If any of our patents are successfully challenged, invalidated or circumvented, or our right or ability to manufacture our products was to be limited, our ability to continue to manufacture and market our products could be adversely affected. In addition to patents, we rely on trade secrets and proprietary know-how, which we seek to protect, in part, through confidentiality and proprietary information agreements. The other parties to these agreements may breach these provisions, and we may not have adequate remedies for any breach. Additionally, our trade secrets could otherwise become known to or be independently developed by competitors.

As of the date of this document, we have been issued, or have rights to 4 key patents and patents pending. Central to our business model are ongoing sales of consumables which are expected to form a significant part of the future revenue of the business. The unique features of the method of application and the method of manufacture of these consumables is protected both by patents and trade secrets. One or more of the patents we hold for our cervical cancer detection products may be successfully challenged, invalidated or circumvented, or we may otherwise be unable to rely on these patents. These risks are also present for the process we use or will use for manufacturing our products. In addition, our competitors, many of whom have substantial resources and have made substantial investments in competing technologies, may apply for and obtain patents that prevent, limit or interfere with our ability to make, use and sell our products.

The medical device industry has been characterised by extensive litigation regarding patents and other intellectual property rights.

The defence and prosecution of intellectual property suits and related legal and administrative proceedings are both costly and time consuming. Moreover, we may need to litigate to enforce our patents, to protect our trade secrets or know-how, or to determine the enforceability, scope and validity of the proprietary rights of others. Any litigation or interference proceedings involving us may require us to incur substantial legal and other fees and expenses and may require some of our employees to devote all or a substantial portion of their time to the proceedings.

An adverse determination in the proceedings could subject us to significant liabilities to third parties, require us to seek licenses from third parties or prevent us from selling our products in some or all markets. We may not be able to reach a satisfactory settlement of any dispute by licensing necessary patents or other intellectual property. Even if we reached a settlement, the settlement process may be expensive and time consuming, and the terms of the settlement may require us to pay substantial royalties.

An adverse determination in a judicial or administrative proceeding or the failure to obtain a necessary license could prevent us from manufacturing and selling our products.

Manufacturing Risk

We do not have the in house manufacturing experience that would enable us to make products in the volumes that would be necessary for us to achieve significant commercial sales, and we rely upon our suppliers. In addition, we may not be able to establish and maintain reliable, efficient, full scale manufacturing at commercially reasonable costs in a timely fashion.

Difficulties we encounter in manufacturing scale-up, or our failure to implement and maintain our manufacturing facilities in accordance with good manufacturing practice regulations, international quality standards or other regulatory requirements could result in a delay or termination of production.

Companies often encounter difficulties in scaling up production, including problems involving production yield, quality control and assurance, and shortages of qualified personnel.

Central to our business model is the ongoing sales of consumables which are expected to form a significant part of the business. Since the Group relies on sole source suppliers for several of our products, including consumables, any failure of those suppliers to perform would hurt its operations.

Several of the components used in our products or planned products are available from only one supplier, and substitutes for these components could not be obtained easily or would require substantial modifications to our products. Any significant problem experienced by one of our sole source suppliers may result in a delay or interruption in the supply of components to us until that supplier cures the problem or an alternative source of the component is located and qualified. Any delay or interruption would likely lead to a delay or interruption in our manufacturing operations. For our products that require pre-market approval, the inclusion of substitute components could require us to qualify the new supplier with the appropriate government regulatory authorities. Alternatively for our products that qualify for regulatory approval, the substitute components must meet our product specifications.

Loss of Key Personnel

The Board of Truscreen believes that it has assembled a quality executive team for the current stage the business is at. Truscreen has spent considerable time and effort in bringing together individuals who have the skills, experience and ability to work together effectively to achieve superior results and will continue to do so as the needs of the business grows. In the normal course of business, Truscreen faces the risk of losing one or more of those individuals for a variety of reasons. We face intense competition for such qualified personnel, many of whom are often subject to competing employment offers. We may not be able to attract and retain key employees when necessary, which would limit our operations and growth.

This risk is mitigated by the depth of experience of the Board of Directors and executive team, and by having a team structure to reduce exposure to any one individual.

Operational Risks

To continue its success Truscreen needs to have effective management and to retain key staff, as leadership is an important building block in Truscreen's plans for expansion.

The recruitment of effective people is also an important factor for Truscreen. The proposed expansion will require management to ensure all new staff recruited by Truscreen are capable of delivering to Truscreen's existing standards. Inability to recruit suitably qualified staff may adversely impact on the successful implementation of Truscreen's strategic objectives.

Liability

In the event that there are defects in the products supplied by Truscreen, then Truscreen may be potentially liable for claims from those who may have been adversely affected by such defects in the products. Such an occurrence may adversely impact upon the financial position and performance of Truscreen.

We are insured for product liability. A successful product liability claim or series of claims brought against us that result in an adverse judgment against or settlement by us in excess of any insurance coverage could seriously harm our financial condition or reputation.

Exchange Rates

As Truscreen's international revenue increases with the deployment of its international operations, Truscreen's exposure to shifts in foreign currency cross rates to the Australian dollar will also increase.

Consequently, in the event, for example, that the Australian dollar appreciates against the foreign currencies of the jurisdiction in which Truscreen trades, then this will impact adversely on the Australia dollar financial performance of the Company.

General Economic Conditions

The trading and financial performance of Truscreen is influenced by a wide variety of business and economic conditions which affect the economy internationally including interest rates, exchange rates, inflation, commodity prices, government monetary, fiscal and regulatory policies, consumer spending patterns and the changes in business and consumer confidence.

Factors such as inflation, currency fluctuation, interest rates and the availability of capital, supply and demand and industrial disruption could impact on operating costs, Truscreen's future possible profitability and the market price of its quoted securities. These factors may be beyond the control of Truscreen.

NOTE 3.
FINANCIAL RISK MANAGEMENT

In the normal course of business, the Group is exposed to a variety of financial risks including foreign currency, interest rate, credit and liquidity risks. The Group's overall risk management strategy focuses on minimising the potential negative economic impact of unpredictable events on the Group's financial well-being.

Details of the significant accounting policies and methods adopted, including criteria for recognition and the basis of measurement are disclosed in Note 1 Summary of Significant Accounting Policies.

The Group to date has not entered into any derivative financial instrument contracts. The Group does not enter into derivative financial instruments for trading or speculative purposes.

The totals for each category of financial instrument are as follows:

Financial instruments by category

	Note	2016	2015
		$	$
Financial assets			
Cash and cash equivalents	11	2,304,698	534,285
Loans and receivables			
Total receivables subject to credit risk	12	386,052	1,260,089
Research and development grant	12	1,170,737	640,974
Total financial assets		3,861,487	2,435,348
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	17	352,447	351,008
Borrowings	19	-	407,800
Total financial liabilities at amortised cost		352,447	758,808

Market Risk

Foreign currency risk

Foreign currency risk is the risk that price changes from fluctuating exchange rates will reduce the carrying amount of financial assets or increase the carrying amount of financial liabilities. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises on certain cash and cash equivalents, receivables and liabilities denominated in foreign currencies.

This risk is managed by placing contracts for supply of product in the same currency as the sales of those products occur wherever possible.

The carrying amounts of the Group's financial assets and liabilities denominated in currencies other than the functional currencies expressed in $NZ at the reporting date are as follows:

	Assets		Liabilities	
	2016	2015	2016	2015
	$	$	$	$
USD	520,790	361,860	-	-
RMB	74,547	297,653	-	-
GBP	4,810	-	-	-

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase or decrease in NZD against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A negative number below indicates a decrease in profit where NZD weakened 10% against the relevant currency. For a 10% strengthening of NZD against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be positive.

Effect on profit after tax and equity: 10% weakening in NZD

	2016	2015
	$	$
USD	41,664	23,685
RMB	5,964	18,935
GBP	384	-

Interest rate risk

Interest rate risk arises on financial assets and financial liabilities recognised at the end of a financial period whereby a future change in interest rates will affect future cash flows. The Group's policy is to deposit cash at floating rates or at fixed rates for periods of time of less than 6 months, to minimize exposure to interest rate risk.

The Group is exposed to interest rate risk on cash flows through cash at bank which is earning interest at a floating rate of:

- 1.75% of NZ$1,533,917 (2015: 2.25% of $258,740) on cash held in AUD.
- 1.14% of NZ$388,203 (2015: nil on $233,437) on cash held in NZD.
- 0.03% of NZ$377,195 (2015: nil) on cash held in USD.
- 0.50% of NZ$4,810 (2015: nil) on cash held in GBP.

Sensitivity analysis

The interest rate risk on bank balances is minimal as the fluctuation of the prevailing market interest rate is insignificant.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligations and as a result the Group will suffer financial loss.

With respect to credit risk arising from cash and cash equivalents there is limited credit risk. The credit rating of cash at bank and term deposits are:

Credit rating – Standard and Poor's

	Note	2016	2015
Cash at bank		$	$
S&P short term rating A-1+		2,299,315	472,143
S&P short term rating A-1		3	20,034
S&P short term rating A-2		4,810	-
	11	2,304,128	492,177
Term Deposits			
S&P short term rating A-1+		-	20,714
S&P short term rating A-1		-	20,869
		-	41,583

Details of the exposure to credit quality of receivables, the age of receivables that are past due and any impairment are disclosed in Note 12 to the financial statements.

With respect to credit risk arising from accounts receivable, it is the Group's policy to only enter into agreements with parties who the Group assesses to be creditworthy. Accounts receivables balances are monitored on an ongoing basis and overdue accounts are followed up on rigorously.

The maximum exposure to credit risk from accounts receivable as at 31 March 2016 amounted to $386,052 (2015: $1,260,089) refer to Note 12.

A credit risk also arises in the Parent from a loan to its subsidiary – refer to Note 14 for details.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The table below shows the maturity analysis for the contractual undiscounted cash flows for financial liabilities:

Financial Liability	Carrying amount	Total contractual cash flows	Not later than three months	Later than 3 months and not later than 1 year
Group 2016	$	$	$	$
Trade and other payables	352,447	352,447	352,447	-

Financial Liability	Carrying amount	Total contractual cash flows	Not later than three months	Later than 3 months and not later than 1 year
Group 2015	$	$	$	$
Trade and other payables	351,008	351,008	351,008	-
Borrowings	407,800	407,800	407,800	-
	758,808	758,808	758,808	-

The Company and Group manage liquidity risk by holding significant cash and cash equivalent assets.

(a) Fair value

The fair value of trade receivables, trade payables, borrowings and cash and cash equivalents approximate their carrying value due to the short term nature of these balances, and/or the balances being subject to market interest rates and regular impairment tests.

(b) Capital risk management

There are no external capital requirements.

The Group and the Company's objectives when managing capital are to safeguard their ability to meet their liabilities as they fall due. It is intended to mainly rely upon capital to fund the business, rather than borrowings, until the business develops a reliable sales history.

There were no changes in the Group's approach to capital management during the year.

NOTE 4.
SEGMENT INFORMATION

The Group operates in one operating segment. It owns the rights to the Truscreen Cervical Cancer screening system. The system comprises a medical device and process designed to detect the presence in real time of precancerous and cancerous tissue on the cervix.

Revenues have been obtained from external customers (distributors) as follows:

	2016	2015
	$	$
Information about products and services		
Total Revenues from external customers and connections with the TruScreen Cervical Cancer Screening System	472,104	1,574,585
Information about geographical areas		
Revenue from external customers by country of domicile:		
New Zealand	-	-
Foreign country:		
China	342,859	997,788
Uzbekistan	-	151,483
Austria	-	146,805
Mexico	86,738	141,222
Russia	34,603	69,615
Others	7,904	67,672
	472,104	1,574,585

The basis for attributing revenues from external customers to individual countries is the location of the customer.

	Note	2016	2015
		$	$
Non-current assets other than financial assets by country in which the entity holds those assets			
Foreign country – Australia			
Plant and equipment	15	6,951	2,126
Intangible assets	16	10,419,664	8,065,957
Total non-current non-financial assets		10,426,615	8,068,083

The following customers contributed more than 10% of the Group's revenue for the year ended 31 March 2016:

Domicile of Customer	2016		2015	
	$	%	$	%
China	248,290	53	997,787	63
China	94,569	20	-	-
Mexico	86,738	18	141,222	9

No additional disclosure is required in the financial statements as the Group has one reportable segment.

NOTE 5. REVENUE

	2016	2015
	$	$
Sales revenue - sale of goods	472,104	1,574,585
Other income		
Research and development grant	1,170,737	640,974
Foreign currency gains	180,867	-
Interest received - on financial assets not at fair value through profit or loss	18,713	5,008
	1,370,317	645,982

The Research and development grant is receivable at 31 March 2016 – refer Note 12.
For further detail with regard to the research and development grant, refer to Note 1(e).

NOTE 6. EXPENSES

	Note	2016	2015
		$	$
Loss before income tax includes the following specific expenses:			
Employee benefits expense			
Wages and salaries		660,281	477,245
Staff superannuation – defined contribution plan	6a.	69,718	46,506
Provision for annual leave		21,825	20,866
Directors fees	26	168,333	160,000
Share based payments – options	21	26,757	26,931
		946,914	731,548
Administration and other operating expenses include:			
Fees for audit of financial statements for the year ended 31 March 2016/year ended 31 March 2015		79,823	48,558
Interim financial statements review		1,250	1,000
Fees for audit of financial statements for the interim period ended 15 February 2014 & period ended 31 March 2014		-	11,000
Total remunerations of auditors		81,073	60,558
Amortisation of intangible assets		392,176	61,906
Depreciation equipment		8,624	2,319
Total amortisation & depreciation		400,800	64,225
Stock for demonstration			
Stock for demonstration expense	6b.	292,493	-

a. Truscreen Pty Limited is required, under Australian employment laws, to pay a prescribed portion of each employee's salary into a superannuation scheme.

b. During the year ended 31 March 2016, the Group sold out of Truscreen consoles and hand units while the manufacture of the first order of TruScreen Ultra was in progress. To ensure the Group had a pool of devices available for demonstration, familiarisation and temporary stock to provide to larger customers requiring recalibration, the Group repurchased 74 consoles it had previously sold to three customers in the 2015 financial year. The units were repurchased from sales that had previously taken place in Eastern Europe (via Austria), Uzbekistan & China. The repurchase ensured that there were sufficient devices available to the larger customer groups in order to adequately demonstrate the Truscreen console and assist for training and instruction purposes.

The stock was purchased at the original sales value which amounted to $292,493 (NZD) of the $1,574,585 (NZD) of sales reported in the year ended 31 March 2015. In consideration for the stock purchased the Group paid $35,000 (AUD) in cash, with the balance credited to offset amounts receivable from the customer in relation to their original purchase. The items were initially recorded in inventory on receipt at purchase value. Due to the nature of the pool of devices, these were subsequently written down to NIL as an expense in the profit and loss.

The quantity of 74 units being repurchased was determined by management as the appropriate number to meet the necessary demand for the requirements from the larger customers. As TruScreen is not re-manufacturing the original device and moving solely to the manufacture and distribution of the Ultra product, it was necessary to estimate the number of devices that would need to be kept for those markets with the largest number of devices already in place.

NOTE 7. FINANCE COSTS

	2016	2015
	$	$
Loan interest	24,240	7,518
Interest expense on convertible note at amortised cost	-	10,110
	24,240	17,628

NOTE 8. INCOME TAX EXPENSE

	2016	2015
	$	$
Loss for the year/ period	(1,292,929)	(692,077)
Prima facie income tax saving using the applicable country's tax rate (28% for NZ; 30% for Aus.; nil for UK)	384,397	203,955
Expenses deductible for tax in the current period but expensed for accounting purposes in prior periods /(not deductible for tax in the current period)	38,894	(46,711)
Not recognised as a deferred tax asset	(423,291)	(157,244)
Income tax expense	-	-

The amount of deductible temporary differences and unused tax losses for which no deferred tax asset is recognised is as follows. These amounts have no expiry date.

	2016	2015
	$	$
Deductible temporary difference	54,831	149,179
Unused tax losses	3,060,355	1,048,041
Total	3,115,186	1,197,220

The deferred tax asset has not been recognised as the "probable" test that future assessable income against which those losses can be offset in the countries where those losses have been incurred cannot be satisfied.

NOTE 9. ISSUED CAPITAL

	2016	2016	2015	2015
Group	Number	$	Number	$
Balance at beginning of the year of fully paid ordinary shares	144,446,666	12,921,275	140,156,666	12,495,593
Ordinary shares issued during the year	20,320,000	5,080,000	4,290,000	429,000
Share issue costs	-	(160,815)	-	(3,318)
Balance at 31 March	164,766,666	17,840,460	144,446,666	12,921,275

No particular number of shares are authorized. There is no par value of shares.

All issued ordinary shares carry equal rights in respect of voting and the receipt of dividends, and upon winding up rank equally with regard to the Company's residual assets.

Shares were issued during the period via:

- Private placement to institutional and eligible investors (13,080,000 ordinary shares issued at 25 cents per share)
- Share purchase plan (7,240,000 ordinary shares issued at 25 cents per share)

NOTE 10. EARNINGS PER SHARE

	2016	2015
	$	$
Basic loss per share:		
Net loss attributable to shareholders	$(1,296,929)	$(692,077)
Weighted average number of ordinary shares on issue	160,662,644	143,038,995
Basic loss per share (cents) (based on weighted average number of shares on issue)	(0.8)	(0.5)
Diluted loss per share:		
Earnings used to calculate diluted loss per share	$(1,296,929)	$(681,967)
Weighted average number of diluted shares on issue	160,662,644	144,970,502
Diluted loss per share (cents) (based on weighted average number of shares on issue)	(0.8)	(0.5)

Note that due to group being in loss making position the options are anti-dilutive and they reduce the loss per share instead of dilute the earnings. As a result, options do not impact the diluted loss per share.

	2016	2015
Reconciliation of net loss attributable to shareholders to earnings used in calculating the diluted loss per share		
Net loss attributable to shareholders	$(1,296,929)	$(692,077)
Interest on $750,000 of convertible notes	-	$10,110
Earnings used to calculate diluted loss per share	$(1,296,929)	$(681,967)

	No.	No.
Reconciliation of weighted average number of shares used in calculating basis loss per share to the weighted average number of ordinary shares used in calculating diluted loss per share		
Weighted average number of ordinary shares on issue	160,662,644	143,038,995
Adjustment for $750,000 of convertible notes	-	1,931,507
Weighted average number of diluted shares on issue used in calculating diluted loss per share	160,662,644	144,970,502

NOTE 11. CASH AND CASH EQUIVALENTS

	2016	2015
	$	$
Cash on hand	570	510
Cash at bank	2,304,128	492,177
Term deposit	-	41,583
Cash in solicitors trust account	-	15
	2,304,698	534,285

Cash at bank is earning interest at a floating rate at the reporting date it ranged from 0% to 1.75% (2015: 2.25% to 3.25%). Cash at bank is at call.

NOTE 12. TRADE AND OTHER RECEIVABLES

	2016	2015
	$	$
CURRENT		
Trade receivables	386,052	1,256,524
Other receivables	-	3,565
Total receivables subject to credit risk	386,052	1,260,089
Research and development grant	1,170,737	640,974
	1,556,789	1,901,063

No interest is charged on receivables.

Refer to Note 5 regarding income from the research and development grant.

The group normally allows an average credit period of 30 days to its trade customers. The aging analysis of trade receivables past due but not impaired is as follows:.

Consolidated Group	Past Due but Not impaired (Days Overdue)					
2016	1 – 60 days	60 – 90 days	90 – 180 days	Over 180 days	**Total past due**	Within Initial Trade terms
	$	$	$	$	$	$
Trade receivables	133,687	-	169,435	82,930	386,052	-
Other receivables	-	-	-	-	-	1,170,737
	133,687	-	169,435	82,930	386,052	1,170,737

2015	1 – 60 days	60 – 90 days	90 – 180 days	Over 180 days	**Total past due**	Within Initial Trade terms
	$	$	$	$	$	$
Trade receivables	207,964	-	198,767	-	406,731	849,793
Other receivables	-	-	-	-	-	644,539
	207,964	-	198,767	-	406,731	1,494,332

As of 31 March 2016, no trade receivables were impaired and provided for (2015: $nil).

At the date of finalising the financial report, of the $386,052 trade receivables existing at 31 March 2016 $247,844 remains unpaid. This amount is owed by two distributors.

The terms and conditions of sale are acknowledged by both parties as being met by Truscreen.

Remaining distributors have launched Truscreen in their respective markets and continue to make large investments in the marketing and commercialisation of Truscreen. Truscreen has not been able to supply product as originally anticipated. The new console -Ultra- did not complete its development in the timeframes initially forecast. In recognition of this considerable investment and the delay in supply of product, Truscreen has agreed with these two distributors to vary the original credit terms.

No collateral is held over trade and other receivables.

Details regarding foreign exchange and credit risk exposure are disclosed in Note 3.

NOTE 13. INVENTORIES

	2016	2015
	$	$
Finished goods at cost	58,582	106,988

There have been no impairment losses.

NOTE 14. INTERESTS IN SUBSIDIARIES

Subsidiaries are:

Name of Subsidiary	Principal Place of Business	Ownership Interest held by the group	
		2016	2015
TruScreen Pty Limited	Australia	100%	100%
TruScreen Ltd (UK)	UK	100%	100%

There are no restrictions on the Group's ability to access or use assets and settle liabilities.

Truscreen Limited (NZ) has provided interest free unsecured loans, to Truscreen Pty Limited of $7,157,559 (2015 $2,301,745). The loans were provided to fund the operations of Truscreen Pty Limited.

These loans are repayable on demand but there is no intention to call upon the loans to be repaid until Truscreen Pty Limited is in a position to do so. Truscreen Pty Limited will not be in a position to repay the loans for at least the next year from the date of this report.

Principal Activities

Truscreen Pty Limited owns the rights to the Truscreen Cervical Cancer Screening System. The system comprises a medical device and process designed to detect the presence in real time of precancerous and cancerous tissue on the cervix.

Truscreen Ltd (UK) holds the CE mark of quality compliance and will only trade to the extent necessary to satisfy the minimum requirement for value added tax registration in the United Kingdom and CE certification.

NOTE 15. PLANT AND EQUIPMENT

	2016	2015
	$	$
Plant and equipment at cost	11,964	4,791
Accumulated depreciation	(5,013)	(2,665)
	6,951	2,126

Movements in the carrying amount for each class of plant and equipment are as follows:

	2016	2015
	$	$
Opening net book value	2,126	4,445
Additions	6,975	-
Transfer from inventory	12,941	-
Impairment loss	(6,339)	-
Depreciation charge	(8,624)	(2,319)
Foreign currency reserve movement	(128)	-
Closing net book value	6,951	2,126

NOTE 16. INTANGIBLE ASSETS

	Intellectual Property	Development cost	Total
	$	$	$
Cost			
Opening balance 1 April 2014	7,600,668	41,984	7,642,652
Additions at cost	-	862,616	862,616
Net exchange differences arising on the translation of the financial statements into the presentation currency	(332,231)	(45,174)	(377,405)
Balance as at 31 March 2015	**7,268,437**	**859,426**	**8,127,863**
Additions at cost	-	2,033,386	2,033,386
Net exchange differences arising on the translation of the financial statements into the presentation currency	645,210	76,289	721,499
Balance as at 31 March 2016	**7,913,647**	**2,969,101**	**10,882,748**
Accumulated Amortisation			
Balance as at 1 April 2014	-	-	-
Amortisation recognised during the period	(61,906)		(61,906)
Balance as at 31 March 2015	**(61,906)**	**-**	**(61,906)**
Amortisation recognised during the period	(392,176)	-	(392,176)
Net exchange differences arising on the translation of the financial statements into the presentation currency	(9,002)	-	(9,002)
Balance as at 31 March 2016	**(463,084)**	**-**	**(463,084)**
Carrying amounts			
Balance as at 31 March 2015	**7,206,531**	**859,426**	**8,065,957**
Balance as at 31 March 2016	**7,450,563**	**2,969,101**	**10,419,664**

Acquired intangible assets are carried at cost. Cost is determined based on the Directors assessment of fair value with reference to Level 3 unobservable market inputs in the fair value framework.

Evidence in this determination includes comparison and reference to:

- capital raisings in relation to the acquisition;
- the market capitalisation of comparable entities with comparable intangible assets; and
- the forecast cash flows attributable to the intangible asset, discounted to present value using a pre-tax discount rate equal to the Group's weighted average costs of capital.

Intellectual property includes all intellectual property rights in the Truscreen product, including scientific and technical knowledge, designs, copyright, plans, computer software, financial modelling, patents, copyright, formulae, processes, methods, inventions, eligible layout rights, market knowledge and all other intellectual property rights. The cost of these assets has been determined based on the Directors assessment of fair value in line with the accounting policies of the Group.

At reporting date 18 years and 8 months useful life remained on in use intangible assets.

Development costs consist mainly of costs incurred to produce a new console for Truscreen. Amortisation will commence when the new console is available for use.

The Directors have undertaken a comprehensive Impairment Review ("Review") of the intangible assets belonging to the Company at the reporting date. This Review has been undertaken in compliance with NZ IAS 36 ('IAS 36') and its detailed specifications with the assistance of an independent consultant.

The projections considered for the Review reflect the Director's considered view of performance achievability and note that the cash flows of the Group while in start-up phase are inherently uncertain and subject to number of risks as outlined in Note 2 Critical Accounting Estimates and Judgements.

In undertaking this Review, the Directors have considered alternative business valuation and emerging technology valuation methodologies which are commonly accepted for valuing businesses in this sector, which are consistent with NZ IAS 36 requirements for assessing value in use and for businesses at the same stage of development as Truscreen and with the same characteristics.

Key elements of the Review

- The primary valuation approaches used are a revenue exit multiple (venture capital approach) and a discounted free cash flow approach (DFCF)
- An earnings before interest and tax (EBIT) exit multiple was included in the prior year's basis of valuation and the results derived using this approach were weighted along with the results derived by using a DFCF and venture capital approach. To increase the robustness of the value in use assessment, and to recognise the risks and timing considerations associated with achievement of earnings projections, this year primary reliance has been placed on the DFCF and venture capital approaches. This has also been done to achieve alignment with methods commonly used by market participants in assessing the value of entities at Truscreen's current state of development and subject to timing uncertainties and risks of achieving earnings.

Revenue exit multiple approach

Overview

- The revenue exit multiple approach applies a range of market revenue multiples to the year 5 projected revenue. This value is then discounted back to present value and a range of probabilities of achieving the projected outcome is applied. The median result of sensitivities in market multiples and probabilities of achieving the projected outcome is selected as the enterprise value. The net tangible assets of the business are then deducted from the enterprise value to provide the estimated value in use of intangibles.

Key Inputs and Variables

- Projected year 5 revenue;
- Revenue exit multiples of between 1.93 and 2.5 (2015: 2.0), based on observed recent healthcare industry market data;
- An average WACC rate of 18.78% (2015: 14.05% to 19.73%), to account for time value of money. This is based on current market rates adjusted for business and specific risks;
- Terminal growth rate of 2% (2015: 2%), based on long term economic growth and inflation prospects;
- A range of probabilities of achieving the estimated year 5 revenue and cash flow projections ('probability') of between 40% and 60% (2015: 40% and 50%), based on the nature of the Truscreen business, which is yet to fully establish its customer base.

Discounted free cash flow approach

Overview

- The discounted free cash flow approach forecasts future cash flows explicitly for 5 years and assesses a terminal value of the business at year 5. The forecast cash flows and consequent continuing value are then discounted back to present value and a range of probabilities of achieving the projected outcome is applied. The median result of sensitivities in discount rates and probabilities of achieving the projected outcome is selected as the appropriate value in use attributable to the assets of the business.

Key Inputs and Variables

- Cash flow projections over a five year period;
- A range of WACC rates of between 16.28% and 21.28% (average 18.78%) (2015: 14.05% and 19.73%) to account for time value of money and associated risks. This is based on current market rates adjusted for business and specific risk;
- Term growth rate of 2% (2015: 2%), based on long term economic growth prospects;
- A range of probabilities of achieving the estimated 5 year cash flow projections ('probability') of between 40% and 60% (2015: 40% to 50%), based on the nature of the Truscreen business, which is yet to fully establish its customer base.

Using these approaches, the Directors consider that the headroom based on the value in use calculated under each approach is in the range of $5.43m to $9.03m.

The results of the Review are dependent on the achievement of projected results in the planned time period. Achievement of projections could be impacted by various factors such as technology changes, market conditions, commercial factors, regulations etc. and could have a material impact on the assessed values. Should the forecast cash flows and underlying assumptions of the Group not be achieved, for any reason, actual cash flows may vary from those forecast resulting in the potential impairment of the intangible assets.

The Directors have assessed the value in use implications by considering different valuation elements: probabilities of success, discount rates, assessing the dispersion of the results derived by alternative valuation methods and developing a considered range of values in use.

Under the revenue exit multiple approach the value in use equalled carrying value of $14.1m (being the carrying value of intangible assets of $10.4m plus the net tangible assets of the business of $3.7m) on 31 March 2016 when:

- The WACC increased to approximately 31%
- The probability of success reduced to approximately 31%
- The revenue exit multiple reduced to approximately 1.2

Under discounted free cash flow approach, the value in use equalled carrying value of $14.1m (being the carrying value of intangible assets of $10.4m plus the net tangible assets of the business of $3.7m) 31 March 2016 when:

- The WACC increased to approximately 23%
- The probability of success reduced to approximately 36%

This indicates that the assessed value in use is higher than the reported value of intangible assets at 31 March 2016.

Therefore, based on the Review undertaken, the Directors consider that there is no indication of impairment in the value of intangible assets on 31 March 2016.

NOTE 17. TRADE & OTHER PAYABLES

	2016	2015
	$	$
CURRENT		
Other payables and accruals	352,447	351,008

Other payables and accruals are interest free and payable generally on credit terms of 30 days from receipt of goods or services.

NOTE 18. PROVISION FOR EMPLOYEE LIABILITIES

	2016	2015
	$	$
CURRENT		
Employee liabilities - annual leave	76,987	28,404

The provision for employee benefits represents accrued annual leave entitlements of employees. As the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement they are classified as current liabilities.

NOTE 19. BORROWINGS

	2016	2015
	$	$
CURRENT		
Other loan – secured	-	407,800

In the previous financial year, a short term loan was provided to the Group by R&D Capital Partner Pty Limited in advance of it receiving its R&D Grant (Note 12). Interest on the loan was payable at 1.5% per month. The loan was repayable at the earlier of the R&D Grant being received by the Group or when the Group wished to repay the loan.The loan was secured by all the circulating and non-circulating assets of a subsidiary, Truscreen Pty Limited, including all interests Truscreen has in, or right to, a Research and Development Tax Offset.

NOTE 20. RESERVES

The foreign currency translation reserve records exchange differences arising on translation of Truscreen Pty Ltd from AUD functional currency to the presentation currency of the Group (NZD).

The share option reserve records items recognised as expenses on valuation of share options issued to employees and directors.

NOTE 21. SHARE BASED PAYMENTS – OPTIONS

A summary of the movements in share options issued are as follows:

	2016	2015
Outstanding at the beginning of the year	7,050,000	6,750,000
Granted during the year	-	300,000
Forfeited during the year	(150,000)	-
Outstanding at the end of the year	6,900,000	7,050,000

150,000 options were forfeited during the year due to the resignation of an employee.

The fair value of services received in return for the share options granted of $26,757 (2015: $26,931) is based on the fair value of share options granted in prior periods being expensed over the period in which vesting conditions are satisfied. The Directors have assumed that vesting conditions will be met by all participants holding options at reporting date..

At reporting date 6,750,000 (2015: 5,800,000) options were exercisable. Those options are exercisable as follows:

a. Exercise price –

- Each Option enables the holder to acquire one ordinary fully paid share in the Company upon the exercise of the Option and the payment of the strike price for the Options.
- Options are issued at a strike price of 10 cents per Option, such that the holder may exercise the Option to subscribe for one ordinary share in the Company at an issue price of 10 cents.

b. Contractual life –

- Options may only be exercised in the period commencing from the date of issue of the Options (27 March 2014) and ending on that date 48 calendar months from the date of their issue (27 March 2018).
- Any options that have not vested in a participant as at the end date of the participant's employment/service arrangement shall lapse.
- If a participant leaves the employment of the Group, any vested Options must be exercised within 90 days of the holder's departure from the Company. If the Options are not exercised within that time they shall lapse.

At reporting date 150,000 options have yet to vest. These options were issued on 8 October 2014. The options vest as below:

- 100,000 on completion of the algorithm research and development project (expected to be 31 March 2017); and
- 50,000 on 8 October 2016.

Those options are exercisable on the same terms as described above for options that have vested. Any options that have not vested in a participant as at the date of the participant's cessation of employment/service arrangement shall lapse immediately.

The fair value of options granted in the 2015 financial year was determined at the date the options were issued using the Black-Scholes model. The assumptions that were used are:

- Estimated fair value per share at grant date - 10 cents;
- Option life from grant date: 4 years;
- Risk free interest rate of 2.25%; and

Volatility of 27%. Volatility was based on the observable volatility of listed securities in a comparable biotechnology company at a similar stage of start-up

NOTE 22. CASH FLOW INFORMATION

	Note	2016	2015
		$	$
Reconciliation of cash flow from operations with loss after income tax			
Loss for the period		(1,296,929)	(692,077)
Adjusted for:			
Share based expense payment – employment expenses	21	26,757	26,931
Depreciation and amortisation		400,800	64,225
Assets written off		6,339	
Exchange difference arising from translating loss items at the date of transaction and translating cash balances at year end rates		(72,152)	72,186
Increase / (Decrease) in borrowings due to interest earned but not currently payable/ (paid) on the convertible note		-	(12,452)
Operating cash flows before working capital changes		(935,185)	(541,187)
Decrease in trade and other receivables		344,274	(1,871,074)
(Increase) in goods and services taxes recoverable		(28,630)	(2,898)
(Increase) in prepayments		(166,557)	9,257
Decrease in inventory		35,465	835,439
Increase in trade and other payables		39,946	24,076
Increase in provisions		48,583	19,590
Net cash from operating activities		(662,104)	(1,526,797)

NOTE 23. RELATED PARTY TRANSACTIONS

a. The Group's main related parties are as follows:

(i) Entities exercising control over the Group

The ultimate legal parent exercising control over the Group is Truscreen Limited.

Purchase of Assets

On the 27th of August 2013, Truscreen Pty Ltd purchased assets comprising inventory, intellectual property and shares in Truscreen Limited (UK), from Ure Lynam Financial Services Pty Limited ('ULFS') for AUD $8,013,409. These assets have been recognised at cost, using fair value as the basis for this determination in line with the Groups accounting policy. ULFS is 100% owned and controlled by Robert Hunter, a Director of the Group. At the time of the transaction Truscreen Pty Limited was 100% owned by Robert Hunter. Consideration for the purchase price was the issue of 100 shares in Truscreen Pty Ltd to Consolidated Nominees Pty Ltd, an entity 100% owned by Robert Hunter.

Purchase of Shares

On the 6th of November 2013, the Company purchased the entire share capital of Truscreen Pty Ltd for the purchase price of NZD $9,278,000 from Consolidated Nominees Pty Ltd, an entity 100% owned by Robert Hunter. Consideration received by Consolidated Nominees Pty Ltd for the sale of shares comprised:

- the issue of 57,780,000 new shares in the Company;
- the issue of a NZD $3,500,000 convertible note as detailed in Note 19; and
- the payment in cash of NZD $2,750,000 in relation to above convertible note.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 26 - Key Management Personnel Compensation.

(iii) Other related parties:

Other related parties include entities over which key management personnel have joint control.

b. Transactions with related parties:

The following transactions occurred with related parties:

(i) Key Management Personnel:

In addition to the transactions referred to in Note 26 the following transactions with key management personnel took place during the period.

Truscreen Ltd engaged Corporate Council Ltd, of which a Director, Mr. Joyce, is principle to provide professional services in relation to various matters including but not limited to:

- Professional fees for services and advice relating to the Share Purchase Plan.
- Various matters involving maintaining the NZ Companies Office records.

The total fees paid to Mr. Joyce by the Group were $5,000 (2015:$40,000). All fees were payable on normal credit terms – 30 days from invoice.

(ii) Other related parties

Truscreen Ltd engaged Ure Lynam & Co, an accounting practice of which a director, Mr. Hunter, is a member, to provide accounting, taxation, secretarial and advisory services to the Group. Total fees paid by the Parent and Group related to these services were for accounting services $154,982 (2015: $94,259) of which $80,705 (2015: $70,000) was unpaid at 31 March and included in accruals. In addition, Ure Lynam & Co assisted in the preparation of the Research & Development Tax offset claim the cost of which amounted to $42,430 (2015: nil) of which $13,714 (2015: nil) remained in accruals at 30 day credit terms. The amount of $22,360 (2015:nil) was paid for advice and services relating to capital raising for the Share Purchase Plan.

Ure Lynam & Co provides Truscreen Pty Limited a fully serviced office including reception services at a monthly charge of A$7,500. Total fees paid by the Group related to these services were $97,826 (2015: $96,835).

Souvenir World (Airport) Pty Limited, an entity of which Mr. Hunter is a Director, provided warehouse facilities at no cost to Truscreen in both 2015 and 2016. Provision of this warehousing facility ceased in July 2015.

All fees were payable on normal credit terms – 30 days from invoice.

NOTE 24. CONTINGENT LIABILITIES

Truscreen systems are warranted to be free from defects and to conform to product descriptions and specifications for a period of one year from the date of original delivery of the Truscreen unit by the dealer or agent to the customer. It is possible that outflows in settlement could result from the warranty provided.

As no history of warranty claims is available, no reliable estimate can be made of future warranty claims.

NOTE 25. EVENTS SUBSEQUENT TO REPORTING DATE

Regulatory

Subsequent to 31 March 2016 Truscreen received the following:

- Secured European Community Compliance (CE Mark) for the Truscreen Ultra product. This enables TruScreen Ultra to be sold into all countries of the European Community other than the United Kingdom, and in addition, as a globally recognised technical assessment acts as prima facie proof of efficacy for some other markets, such as India.
- Therapeutic Goods Administration approval granted in Australia for the TruScreen Ultra product. This enables TruScreen Ultra to be sold in Australia and is an important signal to other markets that the device can be sold in its country of manufacture.
- Medicine and Healthcare Regulatory Agency approval in the United Kingdom for the TruScreen Ultra product. This enables TruScreen Ultra to be sold in the United Kingdom, is an important signal to the industry re certification by an advanced Western market and, in addition, covers sales in the UK regardless of the outcome of Brexit negotiations.
- Medsafe New Zealand Approval (WAND) in New Zealand for the Truscreen Ultra product. This enables TruScreen Ultra to be sold in New Zealand and is an important signal to other markets that the device can be sold in the country where TruScreen is listed.

Sales

The first sales of the Ultra product occurred after 31 March 2016 in the following countries:

- Mexico for $73,637
- Russia for $20,188
- Ukraine for $13,090
- Kazakhstan for $5,964
- Jordan for $4,867

Other

The completion of training of the medical staff to conduct a planned 160,000 patient screening programs in Harbin, China. TruScreen has been advised that following this training the organising body, the Harbin division of the All China Federation of Trade Unions, has commenced the administrative processes to begin the program, including notifying major employers to make arrangements for their female employees to be available for screening. Devices have been installed in the lead screening venue, the Provincial Cancer Hospital of Heilongjiang. The first patients are expected to be screened in August 2016. This is a key development for TruScreen as it is the first central government funded program to use TruScreen and thus validates TruScreen for consideration for other programs run by local and provincial governments as well other centrally funded programs.

The research and development grant was received from the Australian Tax Office on 21 July 2016 for the amount of $1,170,737.

Except for the events described above there have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 March 2016.

NOTE 26. KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the Group during the period are as follows:

	2016	2015
	$	$
Short-term employment benefits – Directors fees	168,333	160,000
	168,333	160,000

No remuneration was paid by subsidiary entities.

The above was paid as directors fees to the directors of the parent entities as follows:

	Directors fees	Total
	$	$
2016		
Christopher Horn	40,000	40,000
Robert Hunter	48,333	48,333
Sean Joyce	40,000	40,000
Tim Preston	40,000	40,000

	Directors fees	Total
	$	$
2015		
Christopher Horn	40,000	40,000
Robert Hunter	40,000	40,000
Sean Joyce	40,000	40,000
Tim Preston	40,000	40,000

Directors and officers' insurance cover is also provided by the Group.

INDEPENDENT AUDITORS REPORT

BDO AUCKLAND

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of TruScreen Limited

Report on the Consolidated Financial Statements
We have audited the consolidated financial statements of TruScreen Limited ("the Company") and its subsidiaries (together referred to as "the Group") on pages 21 to 56, which comprise the consolidated statement of financial position as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements
The directors are responsible for the preparation of these consolidated financial statements in accordance with generally accepted accounting practice (GAAP) and New Zealand Equivalents to International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Other than in our capacity as auditor we have no relationship with, or interests in, TruScreen Limited or any of its subsidiaries.

Opinion
In our opinion, the consolidated financial statements on pages 21 to 56 present fairly, in all material aspects, the financial position of the Group as at 31 March 2016 and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting practice (GAAP) and New Zealand Equivalents to International Financial Reporting Standards.

BDO AUCKLAND

Emphasis of Matter - Going Concern
Without qualifying our opinion, we draw attention to the disclosures made in Note 1. a. in the financial statements which indicates that there is uncertainty over the Group's ability to generate sufficient cash flows. This condition, along with other matters as set forth in Note 1.a. indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Emphasis of Matter - Intangible assets
Without qualifying our opinion we draw attention to Note 16 in the financial statements which explains the risks and uncertainties which may impact on the carrying value of the intangible assets.

BDO Auckland

BDO Auckland
28 July 2016
Auckland
New Zealand

CORPORATE GOVERNANCE STATEMENT

Corporate Governance

The Board and Executive of the Company are committed to conducting TruScreen's business ethically and in accordance with high standards of corporate governance. The Board has agreed to regularly review the Company's governance structures and processes to ensure they are consistent both in form, and in substance, with best practice and meet the requirements of being a listed company of the New Zealand Stock Exchange.

The primary objective of the Board is to build long-term shareholder value with due regard to other stakeholder interests. It does this by guiding strategic direction and context and focusing on issues critical for its successful execution.

TruScreen's Board Charter sets out the governance principles, authority, responsibilities and membership and operation of the Board of Directors. This governance statement outlines the main corporate governance practices as at March 31, 2016.

Compliance

The company seeks to follow the best-practice recommendations for listed companies to the extent that it is appropriate to the size and nature of TruScreen's operations.

The best practice principles which the Company considers in its governance approach are the New Zealand Stock Exchange (NZX) NZAX Listing Rules relating to corporate governance, the New Zealand Stock Exchange (NZX) Corporate Governance Best Practice Code, and the Financial Market Authority's Corporate Governance Principles and Guidelines (collectively the "Principles").

The structure of this section of the Annual Report reflects the requirements of the FMA's Guidelines. The Board's view is that the Company's corporate governance principles, policies, and practices do not materially differ from best practice 'Principles'.

The Company's constitution, the Board and Committee Charters, codes and policies referred to in this section are available on request or can be viewed on our website at www.TruScreen.com

Governance Principles and Guidelines

Principle 1 – Ethical Standards

Directors observe and foster high ethical standards

The Company expects its Directors, Officers, and Employees to act legally, to maintain high ethical standards, and to act with integrity consistent with TruScreen's policies, guiding principles and values. A Code of Ethics sets out these standards for Directors.

The Company has adopted policies to ensure it maintains high standards of performance and behaviour when dealing with the Company's customers, suppliers, shareholders and staff. Specific policies are in place relating to the environment, Privacy Act requirements, confidentiality of company information, conflicts of interest, complaints from stakeholders and trading in company securities.

Conflicts of Interest

Directors are expected both individually and collectively to act in accordance with TruScreen's Directors' Code of Ethics and to restrict involvement in other businesses that would likely lead to conflicts of interest. The Board maintains an Interest Register.

Where conflicts of interest arise, the Board policy is for the conflicted Director(s) to advise the Board and to absent themselves from the relevant discussions and related voting.

Trading in TruScreen Securities

On a continuing basis, the Board considers whether any matters under consideration are likely to materially influence the present or future market expectations of the Company, including the share value. It then determines whether or not there continues to be an 'open window' for share trading by Directors or Officers of the company in accordance with the Financial Products Trading Policy and Guidelines. The policy is for a specific declaration in respect of this matter to be made as appropriate. All proposed transactions need to be approved in line with this policy.

Principle 2 - Board Composition and Performance

There is a balance of independence, skills, knowledge, experience and perspective among Directors that allows the Board to work effectively.

Board Size and Composition

The Board is comprised of Directors with a mix of qualifications, skills and experience appropriate to the Company's current business. At present there are 4 Directors on the Board, all of whom act in a non-executive role. The Constitution provides for the Directors annually to elect one of their number as Chairperson of the Board. A biography of each Board member is set out separately in the annual report and on the website.

The board also regularly reviews its composition to ensure it has the right skill set and composition to maximise the company's performance, opportunities and strategic direction.

Independence of Directors

For a Director to be considered to be independent the fundamental consideration in the opinion of the Board is that the Director be independent of the Executive and not have any relationship that could, or could be perceived, to interfere materially with the Director's exercise of his/her unfettered and independent judgment.

The matters that the Board considers in determining director independence are specified in the Board Charter. Having considered these matters and the composition of the Board, the Company considers the Directors hold an appropriate mix of skills, expertise and independence.

The TruScreen Board has reviewed which of its Directors are deemed to be independent in terms of NZAX Listing Rules and has determined as follows:

Independent Directors: Chris Horn and Tim Preston;

Not Independent Directors because of disqualifying relationships: Robert Hunter and Sean Joyce.

The Board therefore determines that the Board of TruScreen is comprised of an even mix of Independent and Non Independent Directors. Further, the Chairs of the Audit, Finance & Risk Committee and the Remuneration & Nomination Committee are independent directors.

In terms of the NZAX listing rules, both Sean Joyce and Tim Preston are ordinarily resident in New Zealand.

Responsibilities of the Board and Executive

The business and affairs of the Company are managed under the direction of the Board of Directors on behalf of shareholders. The Board's responsibilities include:

- appoint the Chief Executive Officer and monitor his/her performance;
- approval of the Company's objectives and values;
- active engagement in strategic direction formulation and review;
- approval of appropriate Company strategies and transactions involving merger, acquisition or divestment or other transactions of a material nature;
- review and approval of the Company's budgets and business plans and monitoring of progress;
- review of key risk identification processes and systems and monitoring the management of risks;
- approval and review of the overall policy framework within which the business of the Company is conducted including remuneration, financial reporting, compliance, effective internal controls, treasury management, insider trading, and market disclosure;
- monitor Management's performance with respect to these matters; and
- communicating and reporting to shareholders.

Responsibility for the day-to-day operations and administration is delegated by the Board to the Chief Executive Officer and the Senior Executive team. These delegations have been reviewed again in the last three months.

Appointment and Retirement of Directors

At each annual meeting at least one third of the Directors (or the nearest whole number – which at the current time is one director) retire by rotation and are eligible to apply for re- election at the annual general meeting, along with any appointments made since the previous annual meeting.

The company does not pay retirement benefits to any Director on retirement.

Board Processes

The Board has a regular meeting schedule complemented by regular electronic and telephone communication.

There were 7 Board meetings during the 12 month period ending 31 March, 2016. All Directors were available for and attended all Board Meetings during the 12 month period ending 31 March, 2016.

	Robert Hunter		Sean Joyce		Chris Horn		Tim Preston	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Full Board	7	7	7	7	7	7	7	7
Audit Committee					2	2	2	2
Remuneration Committee	1	1			1	1		

In addition to the formal Board Meetings and conference calls, there are a number of official decisions decided by circular resolution and a number unofficial discussions amongst Directors.

Principle 3 – Board Committees

The Board uses committees where this enhances the effectiveness in key areas while retaining board responsibility.

The Board operates 2 Committees to assist in the execution of the Board's duties – the Remuneration, Nomination and Health & Safety Committee and the Audit, Finance & Risk Committee. Each Committee has a specific Charter. Committee members are appointed from members of the Board and membership is reviewed on an annual basis. All matters determined by committees are submitted to the full Board as recommendations for Board decision.

Remuneration, Nomination and Health & Safety Committee

The Remuneration, Nomination and Health & Safety Committee comprises Chris Horn, Robert Hunter and Martin Dillon. The Committee recommends the remuneration policies and packages, including performance incentives for the Chief Executive Officer and the Senior Executive team. Independent advice is obtained as appropriate in regard to remuneration levels and packages. Additionally the Committee reviews: the performance of the Chief Executive Officer; succession planning for the Senior Executive team; succession planning for the Board; risk and compliance monitoring in relation to the human resources function of the Company; and the Company's performance in respect of responsible governance.

This Committee is also responsible for establishing and monitoring remuneration policies and guidelines for Directors which enable the Company to attract, retain and motivate Directors to contribute to the successful governing of the Company and create value for shareholders. External advice is considered in setting the Directors' fees which in aggregate are approved by shareholders.

The committee is also responsible for reviewing and ensuring compliance to all Health & Safety policies within the company to make sure all employees, contractors and visitors are operating in a safe environment.

This Committee met once during the 12 months to March 31, 2016.

The Committee was satisfied that the Company, and the CEO, had implemented and continued to enforce a culture of Health and Safety compliance with all regulations in the countries in which the Company operates.

Audit, Finance & Risk Committee

The Audit, Finance & Risk Committee comprises Chris Horn, Tim Preston and Martin Dillon. The role of the Committee is to review the annual audit process, the financial and operational information provided to the stakeholders and others, to monitor the management of business risk to the organisation, and review the framework of internal control and governance which the Executive and the Board have established. The Chief Executive Officer and Chief Financial Officer regularly attend meetings. The Audit, Finance & Risk Committee met twice during the 12 months to 31 March, 2016.

The Audit, Finance & Risk Committee also communicate with the Company's external auditors as and when deemed necessary by the Committee.

Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosure on entity affairs.

The Company is committed to ensuring integrity and timeliness in its financial reporting and in providing information to the market and shareholders which reflects a considered view on the present and future prospects of the Company.

Financial Reporting

The Audit, Finance & Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements.

It reviews half-yearly and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgment, compliance with accounting standards, NZX and legal requirements, and the results of the external audit.

Management accountability for the integrity of the Company's financial reporting is reinforced by the certification from the Chief Executive Officer and Chief Financial Officer in writing that the Company's financial reports present a true and fair view in all material aspects.

Timely and Balanced Disclosure

Continuous disclosure obligations of the NZX and the NZAX market require all listed companies to advise the market about any material events and developments as soon as the Company becomes aware of them. The Company has policies and a monitoring program in place to ensure that it complies with these obligations on an on-going basis and ensures timely communication of material items to shareholders through the NZX or directly as appropriate.

Principle 5 – Remuneration

The remuneration of Directors and Senior Executives is transparent, fair, and reasonable.

Making sure team members get the rewards they deserve is the responsibility of the Remuneration, Nomination and Health & Safety Committee, a committee of the Board. The Committee makes recommendations to the Board on salaries and incentive programs and more widely on human resource and people management issues.

Non-Executive Directors' Remuneration

The fees payable to the Non-Executive Directors are determined by the Board within the aggregate amount approved by shareholders. The Board considers the advice of independent remuneration consultants when setting remuneration levels. The current Directors' fee pool limit is NZD$170,000.

Senior Executive Remuneration

The objective of the Senior Executive remuneration approach is to provide competitive remuneration aimed at: aligning executives' rewards with shareholders' value; achieving business plans and corporate strategies; rewarding performance improvement; and retaining key skills and competencies.

Senior Executives' remuneration is made up of: Salaries and Options as approved by the Board plus industry standard leave entitlements.

Staff Remuneration

All staff other than Senior Executives are remunerated by salary plus industry standard leave entitlements. Currently no staff qualify to participate in a long term executive share scheme plan.

Principle 6 – Risk Management

The Board regularly verifies that the entity has appropriate processes that identify and manage potential and relevant risks.

Business Risks

The Company has in place a risk management register to identify and address areas of significant business risk. The Company maintains insurance policies that it considers adequate to meet the insurable risks of the Company and Group. Exposure to any foreign exchange risk is managed in accordance with policies laid down by the Directors.

The Chief Executive Officer and Senior Executive team are required to identify the major risks affecting the business and to develop strategies to mitigate these risks. Where significant risks are identified, the policy is for the Board to be advised and to discuss, and for the Senior Executive to undertake prompt corrective action to mitigate and monitor the risk in line with established policies.

Health and Safety

The CEO acts as the Health and Safety Co-ordinator and reports to the Remuneration, Nomination and Health & Safety Committee on Health and Safety issues. The Committee works with the CEO to identify workplace hazards and monitor and review compliance with the Company's documented occupational health and safety policies and procedures. Health and Safety reviews are routinely dealt with by the Board.

Chief Executive and Chief Financial Officer Assurance

The Chief Executive Officer and Chief Financial Officer have provided the Board with written confirmation that the Company's financial statements are founded on a sound system of risk management and internal compliance and control; and that all such systems are operating efficiently and effectively in all material respects.

Risk Monitoring

The Audit, Finance & Risk Committee reviews the Company's risk management policies and processes and the Senior Executive provides an updated risk assessment profile to each meeting of the Audit, Finance & Risk Committee. The Remuneration, Nomination and Health & Safety Committee reviews human resource management risks.

Principle 7 – Auditors

The Board ensures the quality and independence of the external audit process

Independence

To ensure the independence of the Company's external auditor is maintained, the Board has agreed the external auditor should not provide any services not permitted under International Federation of Accountants regulations. This is monitored by the Audit & Risk Committee.

External Auditor

TruScreen's external auditor is BDO. BDO was re-appointed by shareholders at the September 24, 2015, meeting in accordance with the provisions of the Companies Act 1993 (Act).

BDO will be invited to attend this year's annual meeting and will be available to answer questions about the audit process, TruScreen's accounting policies and the independence of the auditor.

Principle 8 – Shareholder Relations

The Board fosters constructive relationships with shareholders that encourage them to engage with the company.

The Board aims to ensure that all shareholders are informed of all information necessary to assess the Company's strategic direction and performance. They do this through a communication strategy which includes:

- periodic and continuous disclosure to NZX;
- information provided to media and briefings to major shareholders;
- half yearly and annual reports;
- regular investor updates
- the annual shareholders meeting which is conducted in a very open manner in which a range of questions are considered;
- the Company's website

An updated view of the Company's strategic direction is a key presentation at the annual meeting to encourage shareholder understanding of, and support of, the Company's strategies and goals.

Principle 9 - Stakeholder Interests

The Board respects the interests of stakeholders within the context of the Company's ownership type and its fundamental purpose.

TruScreen aims to manage its business in a way that will produce positive outcomes for all stakeholders including the public, customers, staff, shareholders and suppliers. The Company is strongly committed to acting in a socially responsible manner with all stakeholders, including the wider community. The Company's commitment is shown by specific activities described in the Annual Report.

Statutory Information

ENTRIES RECORDED IN THE INTERESTS REGISTER

Particulars of entries in the interest registers of the Parent made during the period from 1 April 2015 to 31 March 2016 are as follow:

a) Directors' indemnity and insurance

The Parent has insured all of its Directors and the Directors of its subsidiaries against liabilities to other parties (except the Parent or a related party of the Parent) that may arise from their positions as Directors. The insurance does not cover liabilities arising from criminal actions

b) Directors' interests in entities

Directors disclosed interests in the following entities pursuant to section 140 of the Companies Act 1993 during the year ended 31 March 2016:

Name	Company	Interest
Robert Hunter	Ure Lynam Financial Services Pty Limited	Director
Robert Hunter	Ure Lynam & Co	Member
Robert Hunter	Souvenir World	Director
Sean Joyce	Corporate Counsel	Member

Directors' Remuneration

Directors' remuneration during the year ended 31 March 2016 paid by the parent was as follows:

Director	Directors Fee
	$
Robert Hunter	48,333
Christopher Horn	40,000
Sean Joyce	40,000
Tim Preston	40,000

Remuneration received by Directors for other services paid by:

Parent Entity

Sean Joyce as Corporate Counsel $5,000 plus GST.

Executive Employees Remuneration

Three employees of the Parent, not being directors of the Parent, during the period ended 31 March 2016, received remuneration and other benefits in their capacity as employees, the value of which was or exceeded $100,000 per annum.

The number of such employees or former employees in brackets of $10,000 was:

Employee remuneration	Number of employees
140,000 - 149,999	2
270,000 - 279,999	1

Directors' Shareholding

Directors held relevant interests in the following equity securities as at 31 March 2016:

Director	Number of ordinary shares	Nature of Relevant Interest in Ordinary Shares	Number of options	Nature of Relevant Interest in Options
Christopher Horn	300,000	Beneficial	1,250,000	Legal and Beneficial
Robert Hunter	39,477,400	Beneficial	-	-
Sean Joyce	-	-	1,250,000	Legal and Beneficial
Tim Preston	-	-	1,250,000	Legal and Beneficial

Refer to Note 21 in the financial statements for details of options issued.

Share Dealings By Directors

In accordance with section 148(2) of the Companies Act 1993, the Board has received disclosures from the directors named below of acquisitions or dispositions of relevant interests in the company between 1 April 2015 and 31 March 2016, and details of those details were entered in the company's interests register. The particulars of such disclosures are:

Name	Date of acquisition/ disposal	Consideration per share (NZD)	Number of shares acquired/ (disposed)	Nature of Relevent Interest
Robert Hunter	19 December 2014	10 cents	(600,000) ordinary shares	Beneficial
Christopher Horn	19 December 2014	10 cents	300,000 ordinary shares	Beneficial

Credit Rating

The company does not currently have an external credit rating status

Donations

No donations were made by the Parent during the year.

Directors

The persons held office as Directors of the Parent as at 31 March 2016 are Christopher Horn, Robert Hunter, Sean Joyce, and Tim Preston.

No person ceased to hold office as a Director of the Parent during the period ended 31 March 2015.

The following persons held office as Directors of subsidiary companies at 31 March 2016

– TruScreen Pty Limited: – Christopher Horn; Robert Hunter

– TruScreen Ltd (UK): – Jason Horn

No person ceased to hold office as a Director of any subsidiary during the period ended 31 March 2016.

Remuneration of Auditors

The following amounts are payable to the Company's auditors for the accounting period

Auditor's remuneration	Amount $
Fees for audit of financial statements for the year ended 31 March 2016/ period ended 31 March 2015	79,823
Other assurance services	1,250
Total	81,073

No other fees were payable to the company's auditor.

Distribution of Shareholders as at 1 July 2016

Size of Shareholding	Number of Holders	%	Number of Ordinary Share	%
1-1,000	1,812	70.62	188,481	0.11
1,001 – 5,000	234	9.12	737,042	0.45
5,001 – 10,000	118	4.60	966,528	0.59
10,001 – 50,000	247	9.63	6,384,487	3.87
50,000 – 100,000	55	2.14	4,081,196	2.48
Greater than 100,000	100	3.90	152,408,932	92.50
Total	2,566	100	164,766,666	100

Top 20 Shareholders

Name of Shareholder	Number of Shares Held	Percentage of Issued Share Capital
Consolidated Nominees Pty Ltd	29,477,400	17.89%
Waitara Trustees Limited	18,622,222	11.30%
Consolidated Nominees Pty Ltd	10,000,000	6.07%
Lah Investment Co Pty Ltd	10,000,000	6.07%
Albert Nominees Limited	10,000,000	6.07%
Cbt Trustee Limited	10,000,000	6.07%
Idl Trustee Limited	10,000,000	6.07%
New Zealand Central Securities Depository Limited	8,729,127	5.30%
Samuel Hamish Macdonald	3,410,000	2.07%
FNZ Custodians Limited	1,896,132	1.15%
James Winston Hunter & Elizabeth Henderson Hunter	1,876,600	1.14%
Valerie Anne Hunter	1,785,920	1.08%
Custodial Services Limited	1,687,550	1.02%
Investment Custodial Services Limited	1,450,471	0.88%
Custodian Nominee Company Limited	1,350,000	0.82%
Leveraged Equities Finance Limited	1,285,075	0.78%
Ncd Trustee Limited	1,150,000	0.70%
Stuart Macintosh & Denise Macintosh	1,128,000	0.68%
Kelvin Clifford Deal & Kathleen Mary Deal	1,099,633	0.67%
Michael Jeremy Thomas Stokes	1,060,000	0.64%
Forsyth Barr Custodians Ltd	1,050,234	0.64%
Anna Kathryn Kingston	1,000,000	0.61%
Michael Bruce Guthrie	880,000	0.53%
John Francis Hunter	840,080	0.51%

Corporate Directory

Directors

Robert Hunter
Sydney, New South Wales
Australia

Sean Joyce
Parnell, Auckland
New Zealand

Christopher Horn
Sydney, New South Wales
Australia

Tim Preston
Murrays Bay, Auckland
New Zealand

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Auditor

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Auckland

Share Registrar

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