TRUSCREEN®

2017 ANNUAL REPORT

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 low health resource economies.

TruScreen manufactures and owns all rights to the TruScreen® Cervical Cancer Screening System which comprises a unique medical device, 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.

CONTENTS

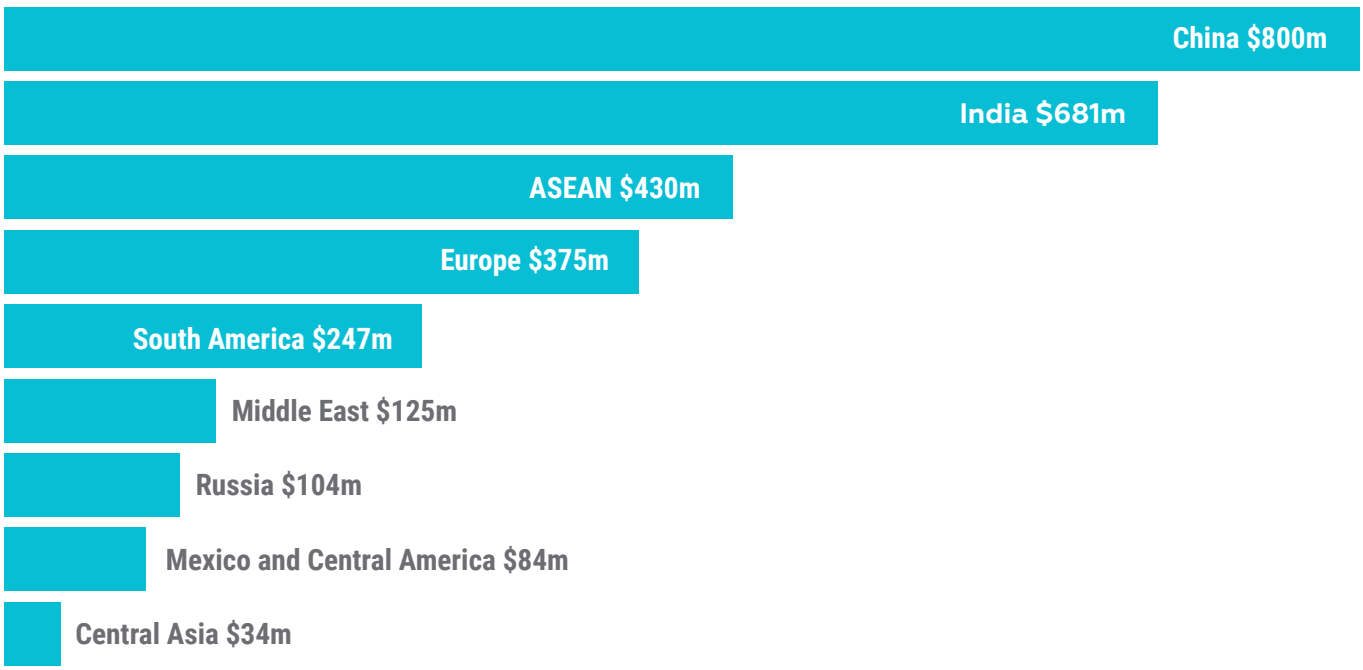
UPCOMING DATES

Annual Shareholder Meeting ____ 21 September 2017
End Financial Half Year ____ 30 September 2017
Interim Results Announcement ____ December 2017
Interim Report Released ____ January 2018

FY17 FULL YEAR REVIEW: HIGHLIGHTS

- Gained certification of TruScreen**2** in Europe, Australia, New Zealand, Mexico and United Kingdom.
- Entered into distribution agreements in Europe, Central Asia and Middle East and established a European business base.
- Completed clinical trial in Mexico with excellent results.
- Mexican National Cancer Institute completed Stage 1 of TruScreen**2** evaluation.
- Signed agreement with India distributor, Khandelwal Laboratories.
- Engaged with Mexican and Indian Governments on the adoption of TruScreen technology for government screening programmes.
- Commenced commercial sales of TruScreen**2.**
- Commenced testing of improved TruScreen algorithm.
- Successfully completed $4.1m capital raising via private placement in March 2017 ($897,500 raised post balance date via a share purchase plan, lifting the total capital raised to $5.0m).

Potential Cervical Cancer Screening Market Values USD$ (per annum)



NOTE: TruScreen Target Markets only. Does not include major developed countries which have well established screening systems.

FY17 FINANCIAL SNAPSHOT

	FY17	FY16
Sales	585,388	472,104
Other Income	810,202	1,370,317
Revenue From Ordinary Activities	**1,395,590**	**1,842,421**
Net Loss	(3,540,610)	(1,269,929)
Net Assets	14,324,288	14,146,413
Cash and Cash Equivalents	3,671,571	2,304,698

Sales revenue increased 24% on the prior year to $585,388 (FY16: $472,104). This was a result of the CE mark certification and the move to volume production of the TruScreen**2** device in April 2016, as well as initial sales into global markets including Mexico, Hong Kong, Vietnam, Turkey, Ukraine, Jordan, Kazakhstan and Poland.

Interest in the TruScreen**2** device is growing and sales are expected to increase as regulatory, import and public sector usage approvals are received and early adopters transition to commercial users across broader private and public sectors.

Other revenue, which is primarily from grants for R&D, was lower than the previous year which included the development of the TruScreen**2** device. This resulted in an overall decrease in total revenue to $1.4m (FY16: $1.8m).

Inventory costs increased as volume production of TruScreen**2** commenced, with a corresponding uplift in inventory to $467,527.

Research and development costs increased to $1.2m (FY16: $171,959) primarily due to a change in the accounting treatment of development costs for the new TruScreen**2** device which are no longer capitalised as the product is now commercially available. In addition, further work was done on the development and testing of the Algorithm and further improvements were made to both the TruScreen**2** device and software following beta testing.

Net operating cashflow for the period was $(2.6)m reflecting the increased production volumes and related payments to suppliers compared to FY16. Operating cashflow is expected to improve as sales increase.

Pleasingly, the level of debtors reduced with more consistent collection of debts from long term customers as TruScreen moves to tighter payment terms. This is part of TruScreen's commercial strategy where longer lead times are often initially negotiated to encourage adoption.

TruScreen reported a Net Loss of $(3.5 m)for the full year (FY16: $(1.3 m)). Investment into growth will continue in FY18 in line with TruScreen's expanded global footprint and the rollout of the TruScreen**2** device and the improved algorithm, however, revenue is expected to grow significantly faster than expenses in FY18.

As at 31 March 2017, TruScreen had cash and cash equivalents of $3.7m (FY16: $2.3m) including new funds raised as a result of a successful $4.09m private placement completed in March 2017. An additional $897,500 has been raised through a Share Purchase Plan since year end, delivering a total of $4.99m of funds raised.

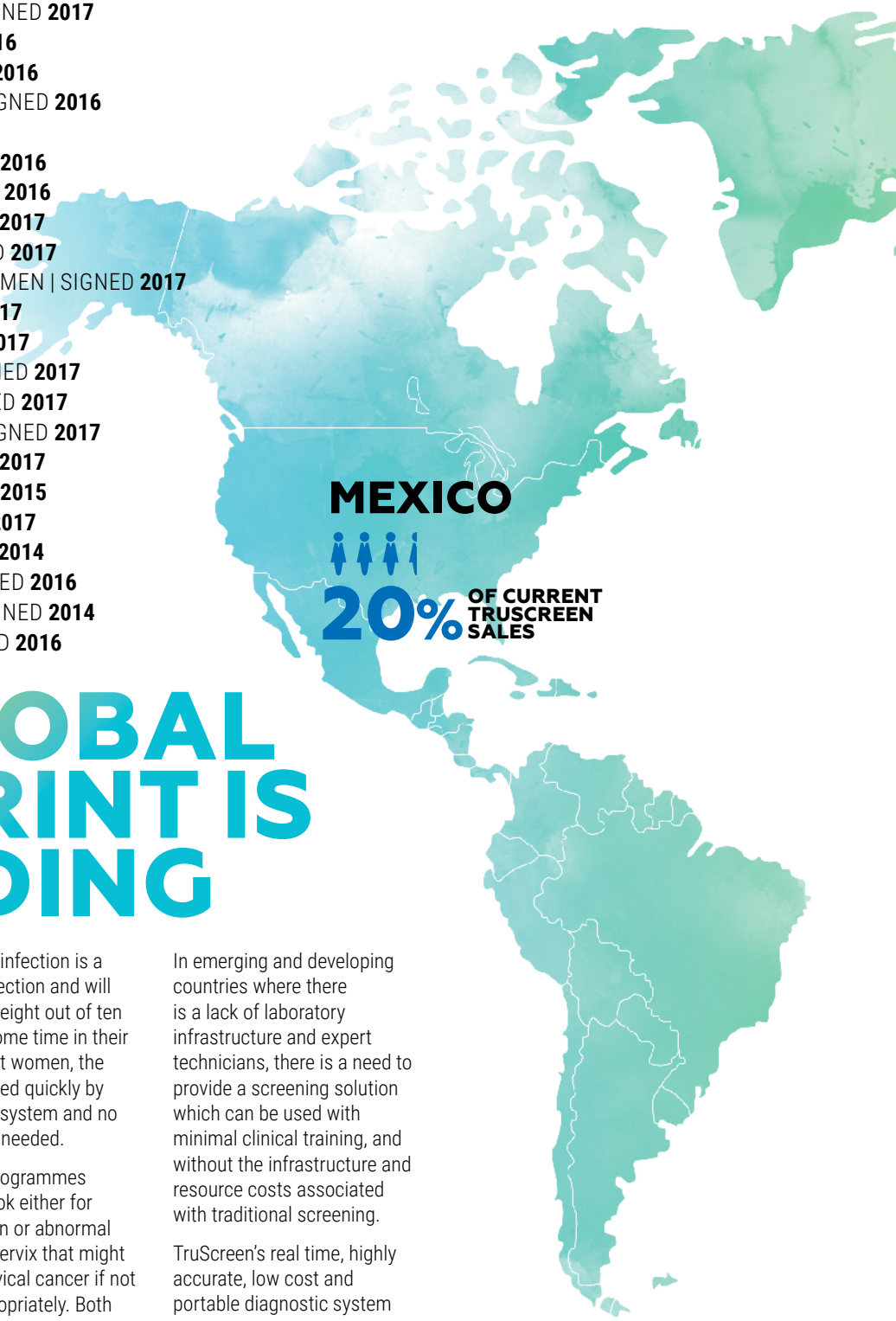
The new capital is being used to fund sales and marketing initiatives, expand manufacturing capabilities and invest in continuing improvement of the technology.

INTRODUCING TRUSCREEN2

- Massively increased data capacity and faster processing
- Significantly improved performance
- Wireless handpiece with increased portability
- Rechargeable battery freeing the device from reliance on continuous connection to mains power
- Wi-Fi connectivity to PCs, Laptops and Smart Devices
- Internet browser compatibility
- Graphic User Interface with LCD touch screen

WOMEN OF SCREENING AGE BY COUNTRY

RUSSIA | **44,000,000** WOMEN | SIGNED **2015**
UKRAINE | **13,000,000** WOMEN | SIGNED **2016**
KAZAKHSTAN | **5,000,000** WOMEN | SIGNED **2017**
IRAN | **22,000,000** WOMEN | SIGNED **2016**
JORDAN | **2,000,000** WOMEN | SIGNED **2016**
SAUDI ARABIA | **6,000,000** WOMEN | SIGNED **2016**
UAE | **1,000,000** WOMEN | SIGNED **2016**
TURKEY | **20,000,000** WOMEN | SIGNED **2016**
POLAND | **11,000,000** WOMEN | SIGNED **2016**
CROATIA | **1,000,000** WOMEN | SIGNED **2017**
SLOVENIA | **1,000,000** WOMEN | SIGNED **2017**
BOSNIA-HERZEGOVINA | **1,000,000** WOMEN | SIGNED **2017**
KOSOVO | **500,000** WOMEN | SIGNED **2017**
SERBIA | **2,000,000** WOMEN | SIGNED **2017**
MONTENEGRO | **200,000** WOMEN | SIGNED **2017**
GERMANY | **22,000,000** WOMEN | SIGNED **2017**
SWITZERLAND | **2,000,000** WOMEN | SIGNED **2017**
AUSTRIA | **2,000,000** WOMEN | SIGNED **2017**
MEXICO | **31,000,000** WOMEN | SIGNED **2015**
INDIA | **297,000,000** WOMEN | SIGNED **2017**
CHINA | **400,000,000** WOMEN | SIGNED **2014**
HONG KONG | **2,000,000** WOMEN | SIGNED **2016**
PHILLIPINES | **21,000,000** WOMEN | SIGNED **2014**
VIETNAM | **26,000,000** WOMEN | SIGNED **2016**



OUR GLOBAL FOOTPRINT IS EXPANDING

Cervical cancer is the third most common cancer in women worldwide with about 530,000 new cases diagnosed each year. The majority of these cases are in women aged between 35 and 55 years, when they are in the prime of their lives.

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 annually.

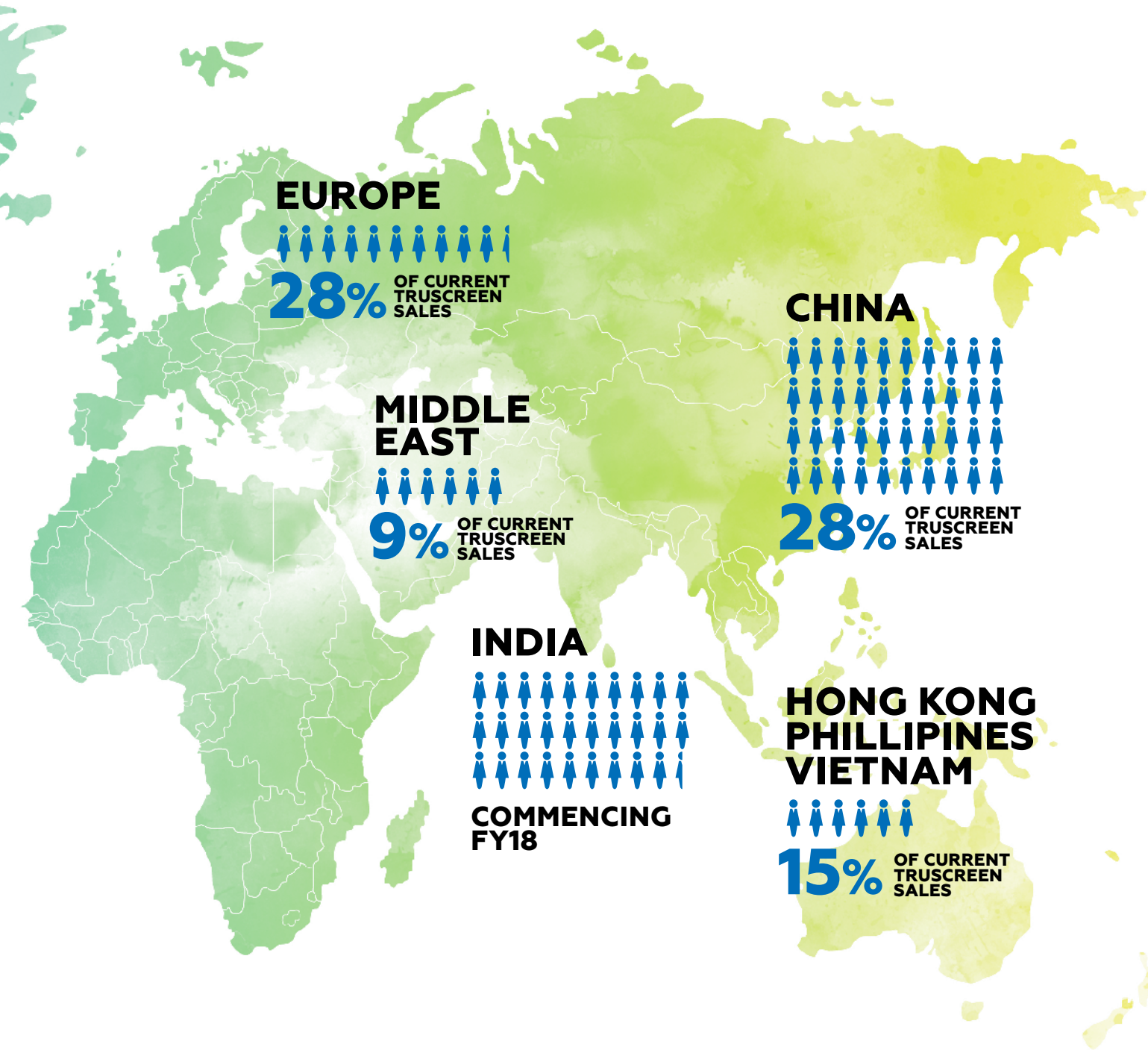
Most cases of cervical cancer occur many years after infection with specific high-risk strains of human papillomavirus (HPV).

Genital HPV infection is a common infection and will infect about eight out of ten women at some time in their lives. In most women, the virus is cleared quickly by the immune system and no treatment is needed.

Screening programmes therefore, look either for HPV infection or abnormal cells in the cervix that might become cervical cancer if not treated appropriately. Both of these approaches require a significant investment in laboratory infrastructure and expert technicians and both approaches involve delay in results reporting with the attendant loss of patients for follow up.

In emerging and developing countries where there is a lack of laboratory infrastructure and expert technicians, there is a need to provide a screening solution which can be used with minimal clinical training, and without the infrastructure and resource costs associated with traditional screening.

TruScreen's real time, highly accurate, low cost and portable diagnostic system is the answer, and more countries are now evaluating and adopting TruScreen for their cervical screening programmes.



= 10 MILLION WOMEN OF SCREENING AGE

CHAIRMAN AND CEO'S REVIEW

The certification of our second generation TruScreen2 device early in FY17 was a major milestone for our company, and our focus for the year has been to encourage early adoption of this vastly improved technology and expand our international footprint.

Our strategy remains to focus on those developing countries where there are no large scale cervical cancer screening programmes and infrastructure in place. Every year, we set goals for our company and we were pleased to achieve or make progress on all of these in the 2017 financial year.

China remains an important commercial opportunity for TruScreen, with the largest screening population in the world and an estimated potential market value of around US$800 million annually.

In partnership with our highly regarded in-country sub-distributor in Beijing, we are targeting large provincial hospitals, as well as screening programmes and more recently military hospitals. We continue to make good progress and more than 100 hospitals, including large military hospitals, are now in commercial use or trialling our TruScreen technology. We are also involved in three large screening programmes, with over 41,500 women screened so far out of a potential 390,000 women.

All medical devices in China must have CFDA registration and approval before they can be procured. We already have this for our TruScreen**1** device and are awaiting model upgrade approval for our TruScreen**2** device. This is a lengthy process and has taken longer than anticipated, with many companies continuing to report long waits. However, we anticipate receiving approval in Q3 of 2017 and will then quickly move to commercialise TruScreen**2** in the eight provinces in China where we already have pricing approval. This will also allow us to pick up the pace on our existing screening programmes.

There is strong interest in our second generation device in China and, with our expertise and specialist country knowledge, we expect increasing traction over the medium term.

While China remains an important opportunity for us, we are also focused on building sales in other targeted markets in Latin America, Central Asia, Europe and the Middle East.

We have grown our international footprint significantly in the past year, with the signing of a number of new distribution agreements including the European Union, the Middle East and Central Asia.

It takes time to build awareness and acceptance of our product and in each new market we enter, we roll out a programme that includes government lobbying, clinical trials, key opinion leader (KOL) engagement and major in-market conferences and regulatory applications.

Beijing home to TruScreen's number one hospital

The General Hospital of the People's Liberation Army (PLAGH), China's largest army hospital, is the number one user of TruScreen in the world.

Ranked among the top three hospitals in China according to various rankings, the hospital services not just the defence forces and the general population, but also provides healthcare services to the highest levels of China's government officials.

TruScreen was adopted in the hospital's gynaecological outpatient department in September 2016 as they saw it as a solution to the loss of recall of patients to follow up (as most of the patients in this hospital are from other cities). The real time results of TruScreen solved this issue and attracted doctors to adopt TruScreen for cervical cancer screening.

Since then the monthly usage of TruScreen in the gynaecological outpatient department has increased from 200 tests to more than 1,000 tests per month.

The PLAGH is now a key reference centre for TruScreen in China and receives visits from government officials and medical professionals from other hospitals interested in viewing TruScreen in use in a real world setting.

CHAIRMAN AND CEO'S REVIEW continued

We are targeting public and private health providers in these countries and are also engaging with health officials who are evaluating our product for use in public screening programmes, including in Mexico and India. While these evaluations can take many months, and involve multiple 'in-field' trials, each could produce significant revenue in the future.

These clinical and familiarisation trials are an essential part of our technology being adopted. As we widen the markets and opportunities we are targeting, we expect to see our investment into this area increase.

After China, India is the world's largest screening market (close to 300 million women of screening age) and we have recently appointed an Indian distribution partner. In addition to sales to the private sector which are expected to commence this year, we have commenced the process of engaging with the Indian Government in regard to a longer term, large scale government screening opportunity.

In Mexico, the evaluation of TruScreen by the Ministry of Health as a screening protocol has commenced and government hospital purchases are expected in Q3 of calendar year 2017.

To support our growth strategy, we undertook a capital raising in 2017, raising $4.09 million in a private placement in March 2017, and an additional $897,500 through a Share Purchase Plan post financial year end, delivering a total of $4.99m of funds raised. These funds will be used to strengthen our balance sheet, fund sales and marketing initiatives, expand manufacturing capabilities and continue to improve the performance of our technology.

The use of leading edge technology is a core part of our offer and one that makes us stand out ahead of the crowd. Our hand held device has a microcomputer that utilises a sophisticated algorithm framework to distinguish between normal and abnormal tissue and provide immediate, high quality results in the field, without the need for specialist clinicians or laboratories. The Algorithm and Software Improvement Programme has been a large investment and focus for us in FY17 and we believe this will be a game changer for our company and the industry when released.

Internet browser capability, Wi-Fi connectivity and a massively increased processing capacity on the second generation device also adds to the technological benefits offered by TruScreen**2.**

LOOKING FORWARD

Our global footprint is growing and while China remains important to us, we now have a wider international focus. With a number of new distribution partnerships signed in FY17, we are looking to leverage these to increase sales and adoption of our technology to the private sector, as well as selection for large scale government screening programmes.

Interest in the TruScreen**2** device is growing and sales are expected to pick up during the second half of calendar year 2017 as regulatory, import and public sector usage approvals are received and early adopters transition to commercial users across broader private and public sectors. In line with this, we are building up inventory of both our TruScreen**2** devices and Single Use Sensors to meet future anticipated demand.

TruScreen remains the world's only CE and CFDA certified, real time primary opto-electric screening device for cervical cancer. We are continually looking at ways to build on our technology and a key milestone for us in FY18 will be the launch of the improved algorithm to market following external clinical valuation.

We are poised for growth and looking forward to building on our momentum in FY18.

Investment into growth will continue in FY18 in line with TruScreen's expanded global footprint and the rollout of the TruScreen**2** device and the improved algorithm and software, however, revenue is expected to grow significantly faster than expenses in FY18.

GOALS FOR FY18

- Finalise the clinical validation of the new TruScreen algorithm and release to the market.
- Obtain regulatory approval for TruScreen**2** in selected countries
- Submit TruScreen**2** for adoption in selected international government screening programmes.
- Further establish our global distribution networks.
- Enhance sales of TruScreen2.

Robert Hunter
Chairman

Martin Dillon
Chief Executive Officer

TruScreen Goes Mobile in Mexico

TruScreen has been selected again for use in Mexico's famous Health Train – El Tren de la Salud!

In 2017 TruScreen was selected as the cervical cancer screening solution for the privately sponsored Health Train.

Organised by the Fundacion Grupo Mexico as a charity initiative, the train operates in 25 Mexican states, bringing advanced medical screening technologies to people in remote Mexican communities.

February this year, 1,640 women were screened across Jalisco, Queretaro, Guanajuato, Hidalgo, Mexico, Oaxaca, Veracruz and Michoacan states. Following the success of this first tour, the train's organisers have confirmed that the train will use TruScreen to screen another 880 women in Veracruz and Oaxaca in late July and early August, and will continue to be used to screen women in remote Mexican communities in future tours.

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

TRUSCREEN AND 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, and usually still have responsibility for the care of their children.

Cervical cancer is a malignant tumour found in the surface cells of the cervix, which is the neck of the uterus or womb. Cervical cancer is different to most cancers in that it has a precancerous phase, which is believed to last for approximately 10 years on average. This precancerous phase has been variously called cervical dysplasia, carcinoma in situ (CIS), cervical intraepithelial neoplasia (CIN) or High Grade Squamous Intraepithelial Lesion (HSIL). This precancerous condition does not produce symptoms, but can be diagnosed by various screening methods, colposcopy and biopsy. It can be treated with a near 100% success rate, so that frank cervical cancer, which occurs when the cell invade from the surface into the underlying tissues, can be prevented.

Most cases of cervical cancer occur many years after infection with specific high-risk strains of human papillomavirus (HPV). HPV infection is very common, and affects the surface of different organs, such as the cervix, vagina and vulva in women and the penis, mouth and perianal area in men. About 80% of 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 disease occurs. Because there are no symptoms, 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 1991. Since that time, the incidence of cervical cancer has halved – from about 15 to about 7 per 100,000 women per year. Later this year, Australia will change from second yearly Pap smear screening to five yearly screening using a test for HPV.

Primary HPV screening is expensive, and the Pap test is not accurate in low-resource health economies, because the highly trained personnel required to read the smears are not available. In addition, there is a significant delay in reporting results, which is a major problem for poor people from more remote areas.

TruScreen has three major advantages for women in low-resource health economies, such as China and India. Firstly, it is cheap, and comparable in cost to the Pap smear in these countries. Secondly, it is more accurate than the Pap smear in these countries, and comparable to the Pap smear in developed countries. Thirdly, it gives an instant answer, so there is no delay in initiating treatment if necessary.

Research is continuing to improve the accuracy of the current device even further, overseen by the Medical Advisory Committee.

Professor Neville Hacker AM.

Chair, TruScreen Medical Advisory Committee.

85%

OF CERVICAL CANCER DEATHS OCCUR IN DEVELOPING COUNTRIES*

*Nour, N. M. (2009). Cervical Cancer: A Preventable Death. Reviews in Obstetrics and Gynecology, 2(4), 240–244.

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;

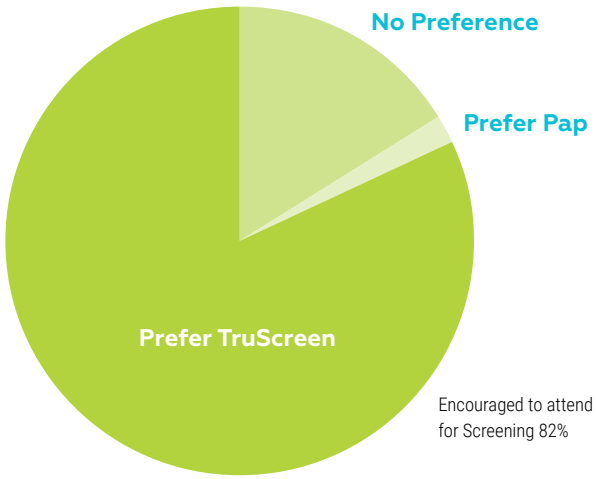
A preferred alternative testing methodology to the Pap smear test for women.

WOMEN PREFER TRUSCREEN

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

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.

80%

OF WOMEN PREFER TRUSCREEN*

*Singer A, et al, (2003). A real time optoelectronic device as an adjunct to the Pap smear for cervical screening: a mullticenter evaluation. Int J Gynecol Cancer.

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 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 principle in CM Partners, an Auckland based capital markets advisory firm that specialises in providing a full range of capital market advisory services to small to medium New Zealand businesses.

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 36 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. He is also a principle in CM Partners.

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 mentioned below, 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 Colin Stahel

Manager – Marketing and Medical Technology

Dr Colin Stahel holds a PhD in physiology from the Faculty of Medicine in the University of Tasmania and a MBA from the Graduate School of Management at Macquarie University. He is also an Adjunct Associate Professor in Biomedical Engineering at the University of New South Wales.

He has wide experience in commercialisation and line management of medical technology focussed on commercial outcomes. He has managed multinational teams in Australia, Asia, Europe and North America working with global corporates, early listed companies and start up environments. Colin's international medical device market experience includes cancer detection, surgery, cardiology, imaging, wound care and infection prevention.

Dr Jerry Tan

General Manager – International Business Development

Dr. Jerry Tan holds degrees 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.

His expertise in algorithm and software development have been key in the continual development and refinement of the TruScreen algorithm.

Dr Akila Seneviratne

Algorithm Developer

Dr. Akila Seneviratne holds a Bachelor of Science in electrical and electronic engineering and a Ph.D. in statistical signal processing from the University of New South Wales.

She has worked in various teaching and research roles at UNSW and at the University of Brunei Darussalam and has wide ranging experience in algorithm and software development. Her research in sparse statistical signal processing and estimation theory has been published in leading conferences and journals.

Since joining TruScreen, Dr. Seneviratne has played a pivotal role in the Algorithm Team. With her strong background in machine learning techniques, her work has contributed to an improved understanding of the theoretical basis for electro-optical classification of cervical tissue that has led to improvements in TruScreen's classifier algorithm design.

Dr Carolina Velasquez MB BS

Clinical Research and Training Officer

After gaining her Bachelor of Medicine and Bachelor of Surgery, Dr Carolina Velasquez worked in hospitals in Bogota, Colombia before emigrating to Australia.

Currently undertaking a post graduate diploma in Clinical Research at Monash University, Dr Velasquez assists in the preparation and conduct of clinical research in Australia and overseas, and in the training of TruScreen's users in our many markets. In addition, as a fluent speaker in both Spanish and English, Carolina is an important link in our commercial activities in Latin America.

TRUSCREEN MEDICAL ADVISORY BOARD

Professor Neville Hacker AM

Clinical Advisory - Professor of Gynaecology Chairman

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 has published over 200 peer reviewed articles, and edited 2 books, both in their sixth edition. Berek and Hacker's *Gynaecologic Oncology* is the standard textbook in the field of Gynaecologic Oncology.

He is a past President of the International Gynaecological Cancer Society and a past President of the Society of Pelvic Surgeons. He is a 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.

Associate Professor (Colonel) Michael J. Campion RAAMC, Hon MD(U.Syd), CStJ, KM(Ob), KCHS

Associate Professor (Colonel) 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. He is Conjoint Associate Professor, School of Women's and Children's Health, at the University of New South Wales. He has over 35 years' experience as a qualified medical practitioner and over 25 years of experience as an expert colposcopist. Dr. Campion has written numerous peer reviewed papers and chapters on cervical cancer prevention, including papers on TruScreen®. In addition, Dr. Campion is the Senior Health Advisor - Army and Chair of the Senior Health Advisory Panel, Joint Health Command, Australian Defence Force and Director, Health Services Army Reserve – NSW/ ACT for the Royal Australian Army Medical Corps.

TRUSCREEN EXPERT ADVISORS

Dr. John Blakemore PhD, CMC,CPEng, BSc, ASNT, Hon DUniv(Newc)

Chair, R & D Steering Committee

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 LLM (Hons)

Legal Advisor – International Law

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.


TRUSCREEN

SHAREHOLDER INFORMATION

ISSUED CAPITAL AS AT 1ST JULY 2017

TRU(NZL)	195,938,54
Current Holders	753

INVESTOR DOMICILE AT 1ST JULY

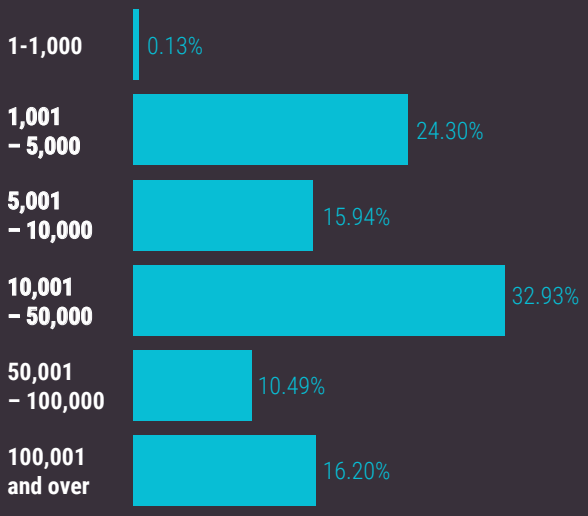
Holders

New Zealand	714
Rest of World	39

Issued Capital

New Zealand	134,805,847
Rest of World	61,132,694

INVESTOR RANGES TRU(NZL) AS AT 1ST JULY 2017



TOP 20 SHAREHOLDERS

Top 20 Shareholder	Number of shares	% of capital
Consolidated Nominees Pty Ltd	**29,539,900**	15.08%
Browns Island Holdings Limited	**19,000,000**	9.70%
Waitara Trustees Limited	**18,622,222**	9.50%
New Zealand Central Securities Depository Limited	11,213,685	5.72%
Consolidated Nominees Pty Ltd	10,062,500	5.14%
LAH Investment Co Pty Ltd	10,062,500	5.14%
Albert Nominees Limited	10,000,000	5.10%
CBT Trustee Limited	10,000,000	5.10%
IDL Trustee Limited	10,000,000	5.10%
Masfen Securities Limited	5,625,000	2.87%
Samuel Hamish Macdonald	3,410,000	1.74%
Leveraged Equities Finance Limited	2,744,900	1.40%
James Winston Hunter & Elizabeth Henderson-Hunter	1,876,600	0.96%
Valerie Ann Hunter	1,685,920	0.86%
Investment Custodial Services Limited	1,450,471	0.74%
Custodian Nominee Company Limited	1,350,000	0.69%
Michael Jeremy Thomas Stokes	1,153,750	0.59%
FNZ Custodians Limited	1,144,558	0.58%
Macintosh & Denise Macintosh	1,128,000	0.58%
Deal & Kathleen Mary Deal	1,099,633	0.56%
Kingston	1,000,000	0.51%

FINANCIAL STATEMENTS & AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	Note	2017	2016
		$	$
Revenue from the sale of goods	5	585,388	472,104
Other income	5	810,202	1,370,317
Changes in inventories		408,944	(48,405)
Purchases of inventory		(881,746)	(204,530)
Employee benefit expenses and directors' fees	6	(1,174,222)	(946,914)
Administration	6	(470,394)	(365,721)
Research & development expenses		(1,190,910)	(171,959)
Stock for demonstration	6	-	(292,493)
Rent		(95,625)	(97,826)
Travel		(156,900)	(127,883)
Marketing & product approvals		(561,811)	(291,164)
Insurance		(87,424)	(74,106)
Shareholder relations & services		(91,999)	(93,309)
Foreign exchange loss		(68,502)	-
Amortisation & depreciation	6	(528,134)	(400,800)
Finance costs	7	(37,477)	(24,240)
Loss before income tax		(3,540,610)	(1,296,929)
Income tax expense	8	-	-
Loss for the period		(3,540,610)	(1,296,929)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign subsidiary operations	19	(241,728)	640,217
Other comprehensive (loss) / income for the period		(241,728)	640,217
Total comprehensive loss for the period		(3,782,338)	(656,712)
Basic and diluted losses per share (cents)	10	(2.1)	(0.8)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017	2016
		$	$
CURRENT ASSETS			
Cash and cash equivalents	11	3,671,571	2,304,698
Trade receivables	12	217,397	386,052
Other receivables	12	791,791	1,170,737
Goods and services taxes recoverable		69,395	62,606
Inventories	13	467,527	58,582
Other assets – prepayments		77,100	166,557
TOTAL CURRENT ASSETS		5,294,781	4,149,232
NON-CURRENT ASSETS			
Plant and equipment	15	8,275	6,951
Intangible assets	16	9,738,424	10,419,664
TOTAL NON-CURRENT ASSETS		9,746,699	10,426,615
TOTAL ASSETS		15,041,480	14,575,847
CURRENT LIABILITIES			
Trade and other payables	17	644,587	352,447
Employee liabilities	18	72,605	76,987
TOTAL CURRENT LIABILITIES		717,192	429,434
NET ASSETS		14,324,288	14,146,413
EQUITY			
Issued capital	9	21,800,585	17,840,460
Share option reserve	19	172,800	172,712
Foreign currency translation reserve	19	(539,304)	(297,576)
Accumulated losses		(7,109,793)	(3,569,183)
Total Equity		14,324,288	14,146,413

On behalf of the board as at 28 July 2017

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 2017

	Note	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
		$	$	$	$	$
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	19	-	-	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	20	-	-	-	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
Balance at 1 April 2016		17,840,460	(3,569,183)	(297,576)	172,712	14,146,413
Loss for the period to 31 March 2017		-	(3,540,610)	-	-	(3,540,610)
Exchange differences on translating foreign subsidiary operations	19	-	-	(241,728)	-	(241,728)
Total comprehensive income for the period		-	(3,540,610)	(241,728)	-	(3,782,338)
Transactions with owners, in their capacity as owners						
Issue of ordinary shares	9	3,960,125	-	-	-	3,960,125
Share based payment	20	-	-	-	88	88
Total transactions with owners		3,960,125	-	-	88	3,960,213
Balance at 31 March 2017		21,800,585	(7,109,793)	(539,304)	172,800	14,324,288

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	Note	2017	2016
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers		754,043	1,050,083
Cash paid to suppliers and employees including G.S.T.		(4,436,358)	(2,386,515)
Cash received from R&D Grant	1(e)	1,126,610	679,855
Interest paid		(37,477)	(24,240)
Interest received		17,598	18,713
Net cash to operating activities	21	(2,575,584)	(662,104)
CASH FLOW TO INVESTING ACTIVITIES			
Development of intangible asset - upgraded cervical cancer console	16	(141,188)	(2,071,893)
Purchase of plant and equipment		(6,355)	(6,975)
Net cash to investing activities		(147,543)	(2,078,868)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	4,090,000	5,080,000
Repayment of borrowings		-	(407,800)
Share issue costs	9	-	(160,815)
Net cash from financing activities		4,090,000	4,511,385
Net increase in cash and cash equivalents		1,366,873	1,770,413
Cash and cash equivalents at beginning of period		2,304,698	534,285
Cash and cash equivalents at end of period	11	3,671,571	2,304,698

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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 Level 26 PWC Tower, 188 Quay Street, Auckland Central, Auckland 1010, 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 25 July 2017 by the Directors of the company.

Functional and Presentation Currency

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.

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

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 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.

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. As a result there are a number of material 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.

For the year ended 31 March 2017:

- The Group incurred a loss for the year of $3,540,610 (2016: $1,296,929).
- The Group had net cash out-flows from operations and investment activities of $2,723,127 (2016: $2,740,972).

For these reasons there is material uncertainty as to whether the Group can continue as a going concern after the period of twelve months from the signing of these financial statements.

The Directors consider the going concern basis of preparation of the Group Financial Statements, to be appropriate as at 31 March 2017 as:

- At 31 March 2017 the Group had a net working capital surplus of $4,577,589 (2016: $3,719,798).
- 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 reflecting only 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 its business model 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 $9,738,424 (2016: $10,419,664);
- may not be able to realise its assets or 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"). 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

For each entity in the group, 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 43.5% refundable tax offset which is receivable from the Commonwealth Government of Australia. Under the 43.5% refundable tax offset programme, 43.5% 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 taxation 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, and trade and other payables. 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 consisting of cash and cash equivalents, trade receivables and other receivables were classified as loans 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. Receivables 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.

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, plants and equipment range between

– 50% diminishing value.

– 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 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. When determining value in use estimated future cash flows will be discounted to their present value using a post-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 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.

Intellectual Property

Intellectual property assets acquired from Ure Lynam Financial Services Pty Limited are recognised at cost which was determined based on fair value.

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

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. 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*

The carrying value of intangibles include acquired intellectual property and development. Costs capitalised in accordance with the accounting policy for research and development.

The Directors have tested the intangible assets for impairment at the reporting date. Note 16 provides detailed information about the valuation techniques, inputs, key assumptions and estimates applicable to 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 2017 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

Truscreen continues to be an early stage business. Truscreen does not have any fixed term contractual arrangements with customers at this time and there are no guaranteed recurring regular income streams for the Truscreen business. While Truscreen's management has in place strategies and plans to deliver sales matching the forecasts relied upon for the impairment assessment

of intangibles, these strategies and plans involving forecasts of future deliverables and events inherently contain a degree of material uncertainty. 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 increasingly 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 forecast 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, adoption of our novel technology may prove to be slower than our forecasts predict.

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, whilst Truscreen has established a footprint in many international markets our products have been used by a relatively limited number of people. Few independent studies regarding our products have been published and this limits the speed of adoption of our product by medical professionals. Truscreen has plans in place to address this.

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. Many of our competitors have substantially greater financial, research, technical, and 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.

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. If our intellectual property is compromised 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.

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.

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

Truscreen business model relies upon the outsourcing of manufacturing to trusted suppliers. Truscreen has plans in place to expand the manufacturing capacity of our supply network. However, there will always be the risk that either the execution of these plans is delayed or the force majeure may limit or interrupt supply.

Difficulties we encounter in manufacturing scale-up, or the failure of our suppliers to maintain their 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. Truscreen conducts reviews of all its key suppliers to mitigate this risk.

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 grow. 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.

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.

Currently we are investigating the mitigation of this risk by establishing assembly facilities in key markets.

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	2017	2016
		$	$
Financial assets			
Loans and receivables			
Cash and cash equivalents	11	3,671,571	2,304,698
Total receivables subject to credit risk	12	217,397	386,052
Other Receivables - Research and development grant	12	791,791	1,170,737
Total financial assets		4,680,759	3,861,487
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	17	644,587	352,447
Total financial liabilities at amortised cost		644,587	352,447

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	
	2017	2016	2017	2016
	$	$	$	$
USD	1,126,015	520,790	4,599	-
RMB	-	74,547	-	-
GBP	17,004	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

	2017	2016
	$	$
USD	100,871	41,664
RMB	-	5,964
GBP	3,596	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:

- 1.50% of NZ$2,391,579 (2016: 1.75% of NZ$1,533,917) on cash held in AUD.

- 1.15% of NZ$353,822 (2016: 1.14% of NZ$388,203) on cash held in NZD.

- 0.50% of NZ$17,004 (2016: 0.50% of NZ$4,810) on cash held in GBP.

- Nil of NZ$908,618 (2016: 0.03% of NZ$377,195) on cash held in USD.

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	2017	2016
Cash at bank		$	$
S&P short term rating A-1+		3,654,019	2,299,315
S&P short term rating A-1		-	3
S&P short term rating A-2		17,004	4,810
	11	3,671,023	2,304,128

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 2017 amounted to $217,397 (2016: $386,052) refer to Note 12.

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

Minimal credit risk arises from the other receivable - research and development grant as this is receivable from the Australian Government.

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 2017	$	$	$	$
Trade and other payables	644,587	644,587	644,587	-

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	-

The Company and Group manage liquidity risk by holding significant cash and cash equivalent assets. At 31 March 2017, the cash and cash equivalents balance was $3,671,571 (2016: $2,304,698).

Fair value

The fair value of trade receivables, other receivables, trade payables, 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.

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:

	2017	2016
	$	$
Information about products and services		
Total Revenues from external customers	585,388	472,104
Information about geographical areas		
Revenue from external customers by country of domicile:		
New Zealand	-	-
Foreign country:		
Mexico	189,764	86,738
China	136,150	342,859
Russia	95,539	34,603
Iran	39,580	-
Turkey	29,130	-
Others	95,225	7,904
	585,388	472,104

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

	Note	2017	2016
		$	$
Non-current assets other than financial assets by country in which the entity holds those assets			
Foreign country – Australia			
Plant and equipment	15	8,275	6,951
Intangible assets	16	9,738,424	10,419,664
Total non-current non-financial assets		9,746,699	10,426,615

The following customers contributed more than 10% of the Group's revenue for the year ended 31 March 2017:

Domicile of Customer

	2017		2016	
	$	%	$	%
Mexico	182,763	32	86,738	18
China	136,150	23	248,290	53
China	-	-	94,569	20
Russia	95,539	16	-	-

NOTE 5. REVENUE

	2017	2016
	$	$
Sales revenue - sale of goods	585,388	472,104
Other income		
R&D Grant	792,604	1,170,737
Foreign currency gains	-	180,867
Interest received	17,598	18,713
	810,202	1,370,317

For further detail with regard to the research and development grant, refer to note 1(e).

NOTE 6. EXPENSES

	Note	2017	2016
		$	$
Loss before income tax includes the following specific expenses:			
Employee benefits expense			
Wages and salaries		861,372	660,281
Staff superannuation – defined contribution plan	6 a.	99,798	69,718
Provision for annual leave		18,234	21,825
Directors fees	25	185,000	168,333
Payroll tax		9,730	-
Share based payments – options	21	88	26,757
		1,174,222	946,914
Administration and other operating expenses include:			
Fees for audit of financial statements for the year ended 31 March 2017/year ended 31 March 2016		91,758	79,823
Interim financial statements review		1,500	1,250
Total remunerations of auditors		93,258	81,073
Amortisation of intangible assets		523,346	392,176
Depreciation equipment		4,788	8,624
Total amortisation & depreciation		528,134	400,800
Stock for demonstration			
Stock for demonstration expense		-	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.

NOTE 7. FINANCE COSTS

	2017	2016
	$	$
Loan interest	37,477	24,240

NOTE 8.
INCOME TAX EXPENSE

	2017	2016
	$	$
Loss for the year	(3,540,610)	(1,296,929)
Prima facie income tax saving using the applicable country's tax rate (28% for NZ; 30% for Aus.; nil for UK)	1,056,351	384,397
Expenses deductible for tax in the current period but expensed for accounting purposes in prior periods /(not deductible for tax in the current period)	(20,393)	38,894
Not recognised as a deferred tax asset	(1,035,958)	(423,291)
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.

	2017	2016
	$	$
Deductible temporary difference	135,655	54,831
Unused tax losses	5,109,814	3,060,355
Total	5,245,469	3,115,186

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

	2017	2017	2016	2016
Group	Number	$	Number	$
Balance at beginning of the year of fully paid ordinary shares	164,766,666	17,840,460	144,446,666	12,921,275
Ordinary shares issued during the year	25,562,500	4,090,000	20,320,000	5,080,000
Share issue costs	-	(129,875)	-	(160,815)
Balance at 31 March	190,329,166	21,800,585	164,766,666	17,840,460

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:

• current period via a private placement to the institutional and eligible investors (25,562,500 ordinary shares issued at 16 cents per share); and

• prior period via a private placement to institutional and eligible investors (13,080,000 ordinary shares issued at 25 cents per share) and a share purchase plan (7,240,000 ordinary shares issued at 25 cents per share)

NOTE 10.
EARNINGS PER SHARE

	2017	2016
Basic and diluted loss per share:		
Net loss attributable to shareholders	$(3,540,610)	$(1,296,929)
Weighted average number of ordinary shares on issue	165,256,906	160,662,644
Basic and diluted loss per share (cents) (based on weighted average number of shares on issue)	(2.1)	(0.8)

Options are anti-dilutive and reduce the loss per share.

NOTE 11.
CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash on hand	548	570
Cash at bank	3,671,023	2,304,128
	3,671,571	2,304,698

Cash at bank is earning interest at floating rates at the reporting date which ranged from 0% to 1.75% (2016: 2.25% to 3.25%). Cash at bank is at call.

NOTE 12.
TRADE AND OTHER RECEIVABLES

	2017	2016
	$	$
CURRENT		
Trade receivables subject to credit risk	217,397	386,052
Research and development grant	791,791	1,170,737
	1,009,188	1,556,789

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)					
2017	1 – 60 days	60 – 90 days	90 – 180 days	Over 180 days	**Total past due**	Within Initial Trade terms
	$	$	$	$	$	$
Trade receivables	18,078	10,772	64,570	60,704	154,124	63,273
Other receivables	-	-	-	-	-	791,791
	18,078	10,772	64,570	60,704	154,124	855,064

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

As of 31 March 2017, no trade receivables were impaired and provided for (2016: $nil).

At the date of finalising the financial report, of the $217,397 trade receivables existing at 31 March 2017 $94,700 remains unpaid. The amount is owing by distributors. The terms and conditions of sale are acknowledged by both parties as being met by Truscreen.

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

	2017	2016
	$	$
Finished goods at cost	467,527	58,582

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	
		2017	2016
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 $11,144,966 (2016 $7,157,559). 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

	2017	2016
	$	$
Plant and equipment at cost	18,157	11,964
Accumulated depreciation	(9,882)	(5,013)
	8,275	6,951

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

	2016	2015
	$	$
Opening net book value	6,951	2,126
Additions	6,355	6,975
Transfer from inventory	-	12,941
Impairment loss	-	(6,339)
Depreciation charge	(4,788)	(8,624)
Foreign currency reserve movement	(243)	(128)
Closing net book value	8,275	6,951

NOTE 16.
INTANGIBLE ASSETS

	Intellectual Property	Development cost	Total
	$	$	$
Cost			
Opening balance 1 April 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**
Additions at cost	-	-	-
Net exchange differences arising on the translation of the financial statements into the presentation currency	(106,941)	(40,123)	(147,063)
Balance as at 31 March 2017	**7,806,706**	**2,928,979**	**10,735,685**
Accumulated Amortisation			
Balance as at 1 April 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)**
Amortisation recognised during the period	(382,133)	(141,213)	(523,346)
Net exchange differences arising on the translation of the financial statements into the presentation currency	(5,596)	(5,235)	(10,831)
Balance as at 31 March 2017	**(850,813)**	**(146,448)**	**(997,261)**
Carrying amounts			
Balance as at 31 March 2016	**7,450,563**	**2,969,101**	**10,419,664**
Balance as at 31 March 2017	**6,955,894**	**2,782,530**	**9,738,424**

Intellectual property acquired is carried at cost less accumulated amortisation. Cost was determined based on the Directors assessment of fair value with reference to Level 3 unobservable market inputs in the fair value framework.

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.

At reporting date 17 years and 8 months useful life remained on in use intangible intellectual property assets.

Development costs consist mainly of costs incurred to produce a new console for Truscreen. The new console was available for use on 1 April 2016. Amortisation commenced from that date. At reporting date 19 years useful life remained on capitalised development costs.

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 and its detailed specifications with the assistance of an independent consultant.

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 the recoverable amount and for businesses at the same stage of development as Truscreen and with the same characteristics.

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

The projections relate to the markets in which Truscreen is in the process of establishing its business: principally India and China. Regulatory approvals have yet to be obtained in these markets. Achievement of projected results will be impacted by timing and market scaling aspects and the risks referred to above. These factors have been catered for by applying appropriate achievement probabilities to the projections.

Key elements of the Review

- In compliance with NZ IAS 36 requirements, the measurement of the recoverable amount for the Truscreen cash generating unit ("CGU") has been based on using a discounted free cash flow approach ("DFCF") to assess the value in use and a revenue exit multiple (venture capital) approach to assess a fair value from a market participant perspective. The latter also fulfils a fair value definition as specified by NZ IFRS 13. The higher of the values provided by using these approaches has been considered to be the recoverable amount in compliance with NZ IAS 36 requirements.
- The analysis indicates that the value in use assessed using the DFCF approach is higher than the value assessed using a revenue exit multiple approach and the sensitivity analysis is based on the DFCF approach.
- An earnings before interest and tax (EBIT) exit multiple was included in the prior year's Review 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 recoverable amount assessment, and to recognise the risks and timing considerations associated with achievement of cash flow projections, this year reliance has been placed on the DFCF and revenue exit multiple 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 which are subject to timing uncertainties and risks of achieving earnings.
- As an extension and further validation, the derived values have been validated by drawing a comparison with the enterprise value implied in the recent capital raising.

Discounted free cash flow ("DFCF") approach

Overview

- The DFCF approach forecasts future cash flows explicitly for 5 years and assesses a terminal value of the business at year 5. Gross amounts are firstly reduced to recognise achievement probabilities and the net amounts are discounted to present values.

Key Inputs and Variables

- Cash flow projections over a 5 year period;
- Terminal growth rate of 2% (2016: 2%), based on long term economic growth prospects;
- Achievement probabilities: 60% in year 1 to 24% in year 5 (2016: 40% to 60%), based on the nature of the Truscreen business, which is yet to fully establish its customer base and market footprint. These probabilities recognise the implications of deferred achievement of projected results and dependence on achieving the previous year's performance; and
- A range of WACC rates of between 13.52% and 19.20% (average applied 16.36%) (2016: 16.28% and 21.28%) to account for time value of money and associated risks. This is based on current market rates adjusted for business and specific risks.

DFCF Approach Result

- Having applied the above inputs and variables, the Directors have estimated the value in use of the Truscreen CGU at $25.7m. The carrying value of the CGU is $11.3m, including the carrying value of the Intangible Assets of $9.7m.
- Hence, the headroom based on the value in use estimate is $14.4m and there is no impairment loss.
- The value in use estimate is 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 estimated value in use. Should the forecast cash flows and underlying assumptions of the Group not be achieved, actual cash flows would vary from those forecast resulting in the potential impairment of the Intangible Assets.

Revenue exit multiple approach

Overview

- The revenue exit multiple approach applies a range of market revenue multiples to the expected revenues in year 5. Gross revenue amounts by year are firstly reduced to recognise achievement probabilities, to project the expected year 5 revenue amount, and such amount is discounted to present value.

Key Inputs and Variables

- Projected year 5 revenue;
- Achievement probabilities: 60% in year 1 to 24% in year 5 (2016: 40% and 60%), based on the nature of the Truscreen business, which is yet to fully establish its customer base. These probabilities recognise the implications of deferred achievement of projected results and dependence on achieving the previous year's performance;
- An average WACC rate of 16.36% (2016: 18.78%), to account for time value of money and associated risks. This is based on current market rates adjusted for business and specific risks; and
- Revenue exit multiples of between 1.5 and 2.5 (2016: 1.93 and 2.5), based on observed recent healthcare industry market data.

Revenue Exit Multiple Approach Result

- Having applied the above inputs and variables, the Directors have estimated the enterprise value of the Truscreen CGU at $23.6m.
- This provides support for the DFCF approach valuation estimate of $25.7m.

Value Implied by Capital Raising

- The Directors have assessed the enterprise value of the Truscreen CGU implied by the recent capital raising at $30.5m.
- This provides further support for the DCF approach valuation of $25.7m.

Sensitivity Analysis

- Under the DFCF approach, the value in use hypothetically reduces to the carrying value of $11.3m when either:

a) The probability of success reduced to approximately 26% in the first year of projection and 11% in the last year of projection or

b) The post-tax WACC increased to approximately 30%

Review Conclusion

- The Directors have considered the DFCF valuation estimate of $25.7m, the headroom of $14.4m based on that value, and the sensitivity analysis. They have also considered the validation for the DFCF valuation provided by the revenue exit multiple valuation approach and by the value implied by the recent capital raising.
- The Directors have concluded that the $9.7m carrying value of the Truscreen Intangible Assets is not impaired as at 31 March 2017.

NOTE 17.
TRADE & OTHER PAYABLES

	2017	2016
	$	$
CURRENT		
Other payables and accruals	644,587	352,447

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

NOTE 18.
EMPLOYEE LIABILITIES

	2017	2016
	$	$
CURRENT		
Employee liabilities - annual leave	72,605	76,987

The provision for employee liabilities 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.
RESERVES

The foreign currency translation reserve records exchange differences arising on translation of Truscreen Pty Ltd from AUD functional currency and TruScreen Ltd(UK) from GBP functional currencey 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 20.
SHARE BASED PAYMENTS – OPTIONS

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

	2017	2016
	#	#
Options on issue	6,900,000	6,900,000

At reporting date 6,900,000 (2016: 6,750,000) 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 (6,750,000 at 27 March 2014 and 150,000 at 8 October 2014) and ending on that date 48 calendar months from the date of their issue (6,750,000 at 27 March 2018 and 150,000 at 8 October 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.

NOTE 21.
CASH FLOW INFORMATION

	Note	2017	2016
		$	$
Reconciliation of cash flow from operations with loss after income tax			
Loss for the period		(3,540,610)	(1,296,929)
Adjusted for:			
Share based expense payment – employment expenses	21	88	26,757
Depreciation and amortization		528,134	400,800
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		(83,591)	(72,152)
Operating cash flows before working capital changes		(3,095,979)	(935,185)
Decrease in trade and other receivables		547,601	344,274
(Increase) in goods and services taxes recoverable		(6,789)	(28,630)
Decrease/(Increase) in prepayments		89,457	(166,557)
(Increase)/Decrease in inventory		(408,945)	35,465
Increase in trade and other payables		303,453	39,946
(Decrease)/Increase in employee liabilities		(4,382)	48,583
Net cash to operating activities		(2,575,584)	(662,104)

NOTE 22. RELATED PARTY TRANSACTIONS

(i) 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 25 - Key Management Personnel Compensation.

(ii) 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:

(ii) Other related parties

Truscreen Ltd engaged Mr. Chris Horn, who is a director, to provided various consulting and advisory services outside his duties as a board member. He was paid a total of $27,974.

Truscreen Ltd engaged Ure Lynam & Co, an accounting practice of which a director, Mr. Hunter, is a member, to provide accounting, taxation, secretarial, consulting and advisory services to the Group. Total fees paid by the Parent and Group related to these services were for accounting services $153,549 (2016: $154,982) of which $66,761 (2016: $80,705) 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 as well as various consulting & advisory services, the cost of which amounted to $55,717 (2016: 42,430) of which $25,000 remained unpaid at March 31. The amount of $9,669 (2016: $22,360) was paid for advice and services relating to capital raising for the Share Purchase Plan which remains unpaid in accruals.

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 $95,625 (2016: $97,826).

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

NOTE 23. 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 24. EVENTS SUBSEQUENT TO REPORTING DATE

In May 2017, Truscreen raised $897,500 via a share purchase plan. These funds will be used to strengthen Truscreen's balance sheet, fund sales and marketing initiatives, expand manufacturing capabilities and continue improvement to the devices performance.

Except for the event 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 2017.

NOTE 25.
KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2017	2016
	$	$
Short-term employment benefits – Directors fees	185,000	168,333
	185,000	168,333

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

	Directors fees	Total
	$	$
2017		
Christopher Horn	40,000	40,000
Robert Hunter	65,000	65,000
Sean Joyce	40,000	40,000
Tim Preston	40,000	40,000
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 and officers' insurance cover is also provided by the Group.

INDEPENDENT AUDITOR'S REPORT

BDO Auckland

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF TRUSCREEN LIMITED

Opinion

We have audited the consolidated financial statements of Truscreen Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Material Uncertainty Related to Going Concern

We draw shareholders' attention to Note 1.a Going Concern, of the consolidated financial statements, which indicates that the Group incurred a loss of $3,540,610 during the year ended 31 March 2017 and that it remains in the process of establishing its business model and customer base. As stated in Note 1.a., these conditions and risks, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT CONT.

BDO

BDO Auckland

Key Audit Matter	How The Matter Was Addressed in Our Audit
Impairment of intangible assets ($9.738m)	
Intangible Assets is material and significant to the financial position of the Group. The impairment of this balance is considered to be a key audit matter, due to the judgements involved in assessing the carrying value of this asset. Given the principal business risks associated with the Group and the industry in which the Group operates, there is a risk that there could be a material impairment to the intangible asset balance. As explained in Note 16, the Directors have undertaken an impairment review, which has involved their consideration of valuation models developed by management, applying both discounted free cash flow and revenue exit multiple valuation approaches. The models, and the resulting valuation estimates, are inherently subjective. The key estimates, assumptions and judgements in the models are those relating to future revenues, future operating costs, future net cash flows, terminal growth rate, achievement probability factors, discount rate applied to the future cash flows, and revenue exit multiples. Achievement of management's revenue and net cash flow projections, and the reliability of the valuation estimates, are dependent upon Truscreen successfully establishing its business model and customer base. Further disclosure regarding the Group's principal business risks and valuation processes can be found in Note 2 and 16 respectively.	Our work to assess whether the Group should recognise any impairment to the intangible assets included ensuring the methodologies adopted in the models were consistent with accepted valuation approaches. We also assessed whether the revenue and net cash flow assumptions were consistent with the Group's strategy and business plans. • We tested the calculations within the valuation models and evaluated the resulting valuation estimates. • We assessed the reasonableness of the assumptions underlying the revenue and net cash flow projections included in the valuation models. • We utilised BDO Valuation Specialists to assess the valuation methodologies and to evaluate the reasonableness of key inputs. • We assessed the change in key assumptions (individually) that would be required for the Truscreen Cash Generating Unit to be impaired, and we considered the likelihood of such a change in those assumptions occurring. As a further test we also assessed the Group's implied enterprise valuation with the most recent capital raises undertaken by the Group. There is some risk that impairment recognition may be required in the future if the Group does not achieve the Revenue and Net Cash Flow projections assumed in the valuation models.
Approval of the Research & Development ("R&D") grant receivable ($792k)	
The Group's R&D grant (note 1(e),(n)) represents a material amount of revenue for the year ended 31 March 2017. The recognition and application for the grant involves management's assessment in relation to identifying R&D activities and allocating appropriate costs to those activities. Further, this amount remains outstanding subsequent to year end, and there is a risk that the balance may not be approved, for payment in full, by the Australian Tax Office.	Our work to assess the existence and accuracy of the receivable involved BDO Australia reviewing the Group's entitlement to receive the R&D Grant. The R&D application was reviewed with the associated activities and expenditure to assess compliance with the tax authorities' requirements.

INDEPENDENT AUDITOR'S REPORT CONT.

BDO Auckland

Information Other than the Consolidated Financial Statements and Auditors Report

The directors are responsible for the Annual Report, which includes information other than the financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion on the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, 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.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to

INDEPENDENT AUDITOR'S REPORT CONT.

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Who we Report to

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or any of the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is David O'Connor.

For and on behalf of:

BDO Auckland
Auckland
28 July 2017


TRUSCREEN CERVICAL SCREENING SYSTEM
WWW.TRUSCREEN.COM

CORPORATE GOVERNANCE STATEMENT

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 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, 2017.

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 Exchange (NZX) NZAX Listing Rules relating to corporate governance, the New Zealand 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. 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 the company's Security Trading 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 NZX 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 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 11 Board meetings during the 12 month period ending 31 March, 2017. All Directors were available for and attended all Board Meetings during the 12 month period ending 31 March, 2017. 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.

	Robert Hunter		Sean Joyce		Chris Horn		Tim Preston	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Full Board	11	11	11	11	11	11	11	11
Audit Committee					2	2	2	2
Remuneration Committee	1	1			1	1		

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 and Nomination 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 and Nomination Committee

The Remuneration and Nomination 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, 2017.

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, 2017.

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 report presents a true and fair view in all material aspects.

Timely and Balanced Disclosure

Continuous disclosure obligations of 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 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 and Nomination 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 NZ$185,000.

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 and Nomination 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 and Nomination 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, 2016, 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 2016 to 31 March 2017 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 2017:

Name	Company	Interest
Robert Hunter	Ure Lynam Financial Services Pty Ltd	Director
Robert Hunter	Ure Lynam & Co	Member
Robert Hunter	Consolidated Nominees Pty Ltd	Director
Sean Joyce	CM Partners Limited	Director
Sean Joyce	Connaught Trust Limited	Director
Sean Joyce	Connemara Capital Limited	Director
Sean Joyce	Connemara Consulting Limited	Director
Sean Joyce	CSM Group Limited	Director
Sean Joyce	East Investments Limited	Director
Sean Joyce	Excalibur Capital Nominee Company Ltd	Director
Sean Joyce	Excalibur Capital Partners Limited	Director
Sean Joyce	FGI Capital Limited	Director
Sean Joyce	Holland Park Limited	Director
Sean Joyce	Mounterowen Limited	Director
Sean Joyce	North Investments Limited	Director
Sean Joyce	NZF Group Limited	Director
Sean Joyce	T B Trust Limited 20	Director
Sean Joyce	TTL Limited	Director
Sean Joyce	Wilary NZ Limited	Director
Sean Joyce	Corporate Counsel	Member
Sean Joyce	NZ Windfarms Limited	Director
Timothy Preston	Betalert Limited	Director
Timothy Preston	CM Partners Limited	Director
Timothy Preston	Coffee Express Limited	Director

DIRECTORS' REMUNERATION

The total of the remuneration and the value of other benefits received by the directors from the company and group during the accounting period is as follows:

Director	Directors Fee
Robert Hunter	$65,000
Christopher Horn	$40,000
Sean Joyce	$40,000
Tim Preston	$40,000

EXECUTIVE EMPLOYEES REMUNERATION

Four employees of the Parent, not being directors of the Parent, during the period ended 31 March 2017, 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
160,000 – 169,999	1
230,000 – 239,999	1

DIRECTORS' SHAREHOLDING

Directors held relevant interests in the following equity securities as at 31 March 2017:

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	39,602,400	Beneficial	-	-
Sean Joyce	-	-	1,250,000	Legal and Beneficial
Tim Preston	-	-	1,250,000	Legal and Beneficial

Refer to note 20 in the financial statements for details of options issued.

CREDIT RATING

The company does not currently have an external credit rating status

DONATIONS

A donation of $584.22 was made to the New Zealand Cancer Society.

DIRECTORS

The persons held office as Directors of the Parent as at 31 March 2017 are Christopher Horn, Robert Hunter, Sean Joyce, and Timothy Preston.

No person ceased to hold office as a Director of the Parent during the period ended 31 March 2017.

The following persons held office as Directors of subsidiary companies at 31 March 2017

– TruScreen Pty Limited: – Christopher Horn and Robert Hunter

– Truscreen Ltd (UK): – Christopher Horn, Martin Dillon and Tristan Kirchner

Jason Horn ceased to hold office as a Director of Truscreen Ltd (UK) during the period ended 31 March 2017.

Except for Jason Horn, no person ceased to hold office as a Director of any subsidiary during the period ended 31 March 2017.

REMUNERATION OF AUDITORS – FINANCIALS OF FY17

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 2017/period ended 31 March 2016	**91,758**
Other assurance services	**1,500**
Total	**93,258**

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


TRUSCREEN

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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New Zealand

AUDITOR

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Auckland 1010
New Zealand

SHARE REGISTRAR

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