TRUSCREEN®

2018 ANNUAL REPORT

The 2018 financial year was one of significant progress for TruScreen with the company reaching a major turning point in its commercial pathway by year-end. The endeavours of staff and advisers over many years are now being realised, with TruScreen on the cusp of commercial realisation, expecting to achieve profitability in FY19.

We are delighted to bring you the 2018 Annual Report for the year to 31 March 2018, and to share with you our progress and performance.

The Report can also be viewed on our website www.truscreen.com

Robert Hunter
Chairman

Martin Dillon
Chief Executive Officer

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UPCOMING DATES

Annual Shareholder Meeting ____ 13 September 2018
End Financial Half Year ____ 30 September 2018
Interim Results Announcement ____ December 2018
Interim Report Released ____ January 2019

FY18 AT A GLANCE

Focus remains firmly on the Chinese market

- Signed major new sub-distributor in China to manage government sales channels
- Commenced sales of TruScreen2 device in China in December 2017, following CFDA approval
- Commenced 10,000 patient evaluation trial with the Chinese Obstetrics and Gynaecology Association
- Post period end, commenced a pilot programme with the Women's and Children's Healthcare Division of the Centre for Disease Control in China, with more than 12,000 women expected to be involved
- Post-period end: Confirmed installation of TruScreen devices in 190 hospitals in Xinjiang Province over the coming months; and selected as the primary screening solution for a chain of high tech female health clinics to be established in 50 municipal hospitals in China

Building on our global presence outside of China

- Established distribution networks for several new territories
- Commenced a research collaboration with the All India Institute of Medical Science to validate TruScreen for the screening of Indian women and to be recommended to the Government of India's (GOI) Ministry of Health and Family Welfare for use in nationally funded screening programs
- Commenced evaluation with Ministry of Health in Mexico for inclusion in the Mexican Government's purchasing catalogue of preferred medical devices for public health
- Selected for use in Mexico's famous Health Train, bringing advanced medical technologies to remote communities
- Commenced a pilot study in Papua New Guinea to evaluate TruScreen as a cervical cancer screening solution in regional and remote locations
- Selected for evaluation by the Zimbabwe Ministry of Health for use as a government solution for cervical cancer screening
- Approved for reimbursement by major health insurer in Jordan, a global first for TruScreen
- Recommended for inclusion in Russian clinical guidelines

Strong performance of TruScreen in clinical evaluation

- Ongoing results from clinical performance evaluation of TruScreen at the Royal Hospital for Women in Sydney indicate that TruScreen will substantially boost screening capabilities in developing countries

Strengthened our business

- Completed successful $5 million capital raising in May 2017
- Established new manufacturing facility in Australia, which was commissioned post-period end in June 2018

Refreshed the Board with appointment of expert directors

- Professor Ron Jones and Mr Chris Lawrence appointed to the Board of Directors, replacing two long serving directors. Marie Ficarra appointed to the Board in June 2018, post period end

THE ROAD TO COMMERCIALISATION →

Research and Development	Distribution Partnership	TRUSCREEN'S CURRENT PHASE OF GROWTH		Mature Sales
		Awareness and Acceptance	Adoption and Initial Sales	
• Development of first and second generation devices and algorithm • Clinical validation	• Identify and partner with reputable distributors which have existing in-country networks and contacts	• Build awareness and acceptance of TruScreen • Rollout of commercial programme • Adoption by Key Opinion Leaders • Clinical trials and in-market validation • Presentation at major conferences and congresses	• Initial sale of TruScreen devices • Low initial usage of Single Use Sensors per device • Expand user base with increased device sales and installations, and training of users • Building usage as Doctor and Patient acceptance grows	• Continued expansion of user base via device sales and installation • Ongoing, repeat sale of Single Use Sensors as usage per device increases

FINANCIAL RESULTS

NZ Dollars	FY18	FY17	FY17 : FY18
Sales	804,062	585,388	37%
Other revenue	1,374,581	810,202	70%
Total revenue	2,178,643	1,395,590	56%
Operating expenses	(6,347,435)	(4,936,200)	29%
Net operating cashflow	(3,729,191)	(2,575,584)	45%
Net Loss	(4,168,792)	(3,540,610)	18%
Cash and cash equivalents	1,212,454	3,671,571	-67%

For the FY18 financial year, TruScreen reported a 37% increase in sales to $0.8 million, primarily due to a strong second half following receipt of CFDA approval for TruScreen2 in China, in December 2017.

Total sales revenue for the year was below expectations after commercial performance was hampered in the first half due to ongoing product improvements and validation, and delays in gaining CFDA approval for the TruScreen device in China.

However it is pleasing to now be seeing a positive sales trajectory.

All sales are to TruScreen's distribution partners, who are then responsible for on-selling the technology in their regions. Commercial terms of trade are in place with all distributors.

Over time, as more devices enter the market, the company expects to see an increasingly large proportion of revenue being generated from the sales of the Single Use Sensors, providing a sustainable annuity income stream.

Other income including a refundable tax offset, took total revenue to $2.2 million for the year, up 56% on FY17.

Total operating expenses increased as expected, as the company positions itself for the forecast growth in demand, with an increased investment into inventory, human resources and R&D related to technology improvements, as well as establishment of the new manufacturing facility in Sydney.

Net operating cash outflow for the period was $(3.7) million.

This is expected to significantly improve as sales increase and TruScreen expects to reach profitability by the end of FY19.

For the FY18 financial year, the company reported a Net Loss of $(4.2) million, compared to $(3.5) million in the prior year.

As at 31 March 2018, TruScreen had cash and cash equivalents of $1.2 million (FY17: $3.7m). As it has done previously, if required, TruScreen will seek shareholder support for its growth strategy as it works towards profitability.

WOMEN OF SCREENING AGE BY COUNTRY

AUSTRIA | **2,000,000** WOMEN | SIGNED **2017**
BELGIUM | **3,000,000** WOMEN | SIGNED **2018**
BOSNIA-HERZEGOVINA | **1,000,000** WOMEN | SIGNED **2017**
CHINA | **401,000,000** WOMEN | SIGNED **2014**
CROATIA | **1,000,000** WOMEN | SIGNED **2017**
GERMANY | **22,000,000** WOMEN | SIGNED **2017**
HONG KONG | **2,000,000** WOMEN | SIGNED **2016**
INDIA | **302,000,000** WOMEN | SIGNED **2017**
INDONESIA | **66,000,000** WOMEN | SIGNED **2018**
IRAN | **22,000,000** WOMEN | SIGNED **2016**
JORDAN | **2,000,000** WOMEN | SIGNED **2016**
KAZAKHSTAN | **5,000,000** WOMEN | SIGNED **2017**
KOSOVO | **500,000** WOMEN | SIGNED **2017**
MEXICO | **31,000,000** WOMEN | SIGNED **2015**
MONTENEGRO | **200,000** WOMEN | SIGNED **2017**
NETHERLANDS | **4,000,000** WOMEN | SIGNED **2018**
PAKISTAN | **42,000,000** WOMEN | SIGNED **2018**
PAPUA NEW GUINEA | **1,000,000** WOMEN | SIGNED **2018**
PHILLIPINES | **21,000,000** WOMEN | SIGNED **2014**
POLAND | **11,000,000** WOMEN | SIGNED **2016**
RUSSIA | **44,000,000** WOMEN | SIGNED **2015**
SAUDI ARABIA | **6,000,000** WOMEN | SIGNED **2016**
SERBIA | **2,000,000** WOMEN | SIGNED **2017**
SLOVENIA | **1,000,000** WOMEN | SIGNED **2017**
SOUTH AFRICA | **13,000,000** WOMEN | SIGNED **2018**
SWITZERLAND | **2,000,000** WOMEN | SIGNED **2017**
TURKEY | **20,000,000** WOMEN | SIGNED **2016**
UAE | **1,000,000** WOMEN | SIGNED **2016**
UKRAINE | **13,000,000** WOMEN | SIGNED **2016**
VIETNAM | **26,000,000** WOMEN | SIGNED **2016**
ZIMBABWE | **2,000,000** WOMEN | SIGNED **2018**

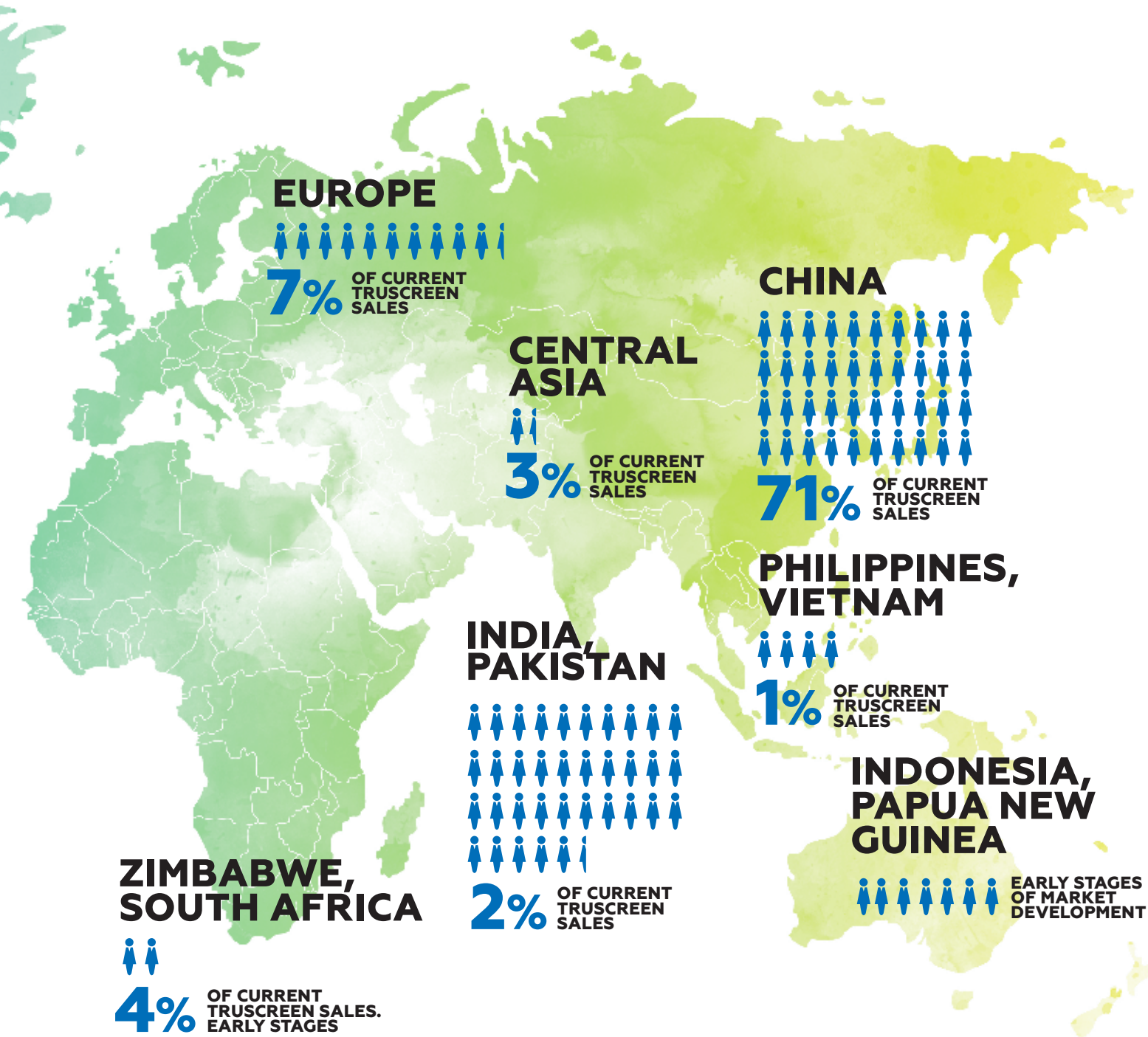
OUR GLOBAL FOOTPRINT

Cervical cancer is the fourth most common cancer in women worldwide with over half a million new cases diagnosed each year.

Our key markets are emerging and developing countries where there is a lack of laboratory infrastructure and expert technicians, and no large scale cervical cancer screening programmes in place. Over 85% of cervical cancer related deaths occur in these less developed regions.

China has approximately 400 million women of screening age and carries about 30% of the world's burden of cervical cancer. Latest estimates indicate that about 107,000 new cases are diagnosed in China each year, and that about 37,400 women die of the disease annually. India and Latin America also have large populations of women of screening age, limited healthcare infrastructure and the desire for screening programmes. While China remains our primary market opportunity, Mexico and India offer significant potential for our company.

We have distribution agreements in place covering over 30 countries, which together have a screeing population exceeding 1 billion women.



= 10 MILLION WOMEN OF SCREENING AGE

TRUSCREEN'S BIG TWO

INDIA

TOTAL POPULATION	WOMEN OF SCREENING AGE	INCIDENCE OF CERVICAL CANCER	DEATHS FROM CERVICAL CANCER
1,282 MILLION	302 MILLION	123,000 PER YEAR	67,500 PER YEAR

Regulatory Approval	Exempt from Medical Regulatory Approval. Customs Notice of Conformity obtained.
Distributor Appointed	Yes
Support from Key Medical Opinion Leaders	Yes
In Country Clinical Research Papers Published	Yes
Stage of Commercialisation	Stage 1. Early market preparation. Evaluation by key medical research centres underway.
Main Sales Channels	• Central Government Ministries of Health • State Government Ministries of Health Major Private Hospital Groups • Armed Forces • Railways and other major public institutions • Public Hospitals
Current Key Activities	• All India Institute of Medical Science evaluation underway • Armed Forces Medical Research Centre evaluation underway • Commenced marketing in 4 States – Delhi NCR, Madhya Pradesh, Haryana, Maharashtra

CHINA

TOTAL POPULATION	WOMEN OF SCREENING AGE	INCIDENCE OF CERVICAL CANCER	DEATHS FROM CERVICAL CANCER
1,379 MILLION	410 MILLION	100,700 PER YEAR	37,400 PER YEAR

Regulatory Approval	CFDA Approval Obtained
Distributor Appointed	Yes
Support from Key Medical Opinion Leaders	Yes
In Country Clinical Research Papers Published	Yes
Stage of Commercialisation	Stage 2 - Capitalising on market preparation. TruScreen used in 16 Provinces and sales to both Government and Private Hospitals commenced.
Main Sales Channels	• Government Hospitals • Rural Clinics • Private Clinics • Army Health System • Company Health Systems • Women's & Children's Division of Centre of Disease Control
Current Key Activities	• China Obstetrics and Gynaecologist Association. • 10,000 patient evaluation underway • China Centre for Disease Control – Womens and Children's Health Division -12,000 patient evaluation underway • Preparation for 190 Hospital Program in Xinjiang Province • Selection by the Two Cancers Centre Project for installation in their 50 new high tech womens health clinics • Marketing and sales activityin 16 Provinces

CHAIRMAN AND CEO'S REVIEW

We are now on the cusp of commercial realisation.

The 2018 financial year (FY18) was one of tremendous significance for our company, as we realised the benefits of our many years of effort and investment and moved to the cusp of commercial realisation.

Since our inception, we have been focused on the development of our proprietary opto-electrical cervical cancer screening solution and establishing our global commercial footprint.

As with all new medical technologies, this has required extensive testing and validation. We have invested in clinical trials, both with independent, reputable medical organisations such as the Royal Hospital for Women in Sydney, as well as in countries which are evaluating our technology for their own use.

We have negotiated distribution agreements which cover more than 1 billion women in over 30 countries, and we are continuing to negotiate new agreements. Our primary focus is on the Chinese market, however, we have also identified large scale opportunities in India and Latin America, as well as numerous smaller markets.

We have invested heavily in improving our technology. The development of the TruScreen2 device, which was launched in July 2016, has been followed by a program of continuous improvement. Significant investments has been made in optical & electronic design, in algorithm research and in device usability – such as the creation of a Chinese language graphic interface for the TruScreen operating system.

We have been marketing and building awareness of our product, with attendance and presentations at major exhibitions and conferences around the world; as well as through targeted meetings with key individuals. Our goal is to be recommended for major screening programmes and health systems in these countries.

Most recently, we have invested in a new manufacturing facility, which provides us with more control over supply and significantly reduces manufacturing costs.

During this time, our team has been supported by a number of expert advisers, including renowned specialists in gynaecological oncology who are members of our Medical Advisory Board. Their contributions, along with those of our committed staff, have been instrumental in our progress to date.

Throughout this process, we have remained true to our vision to provide better cervical cancer screening for women around the world and, by doing so, improve the health and wellbeing of women and help to save thousands of lives.

CFDA approval in China a turning point

The investments and initiatives we have undertaken in China are now bearing fruit.

A key milestone in FY18 was achieving CFDA regulatory approval in China for our TruScreen2 device in December 2017. This opened the way for us to start actively marketing and selling the device in the Chinese market.

With strong distribution partners already in place, clinical trials underway and demonstrating the efficacy of our technology, we were ideally positioned to immediately commence commercial activities. Indeed, the first sales of TruScreen2 to China were made within weeks of CFDA approval being received.

Since that time, we have seen demand in China grow exponentially and sales in the first quarter of FY19 have already exceeded sales for the entire year in FY18.

As announced, TruScreen will be installed in 190 hospitals in Xinjiang province over the coming months, and we have also been selected as the primary screening solution for a new chain of high tech female health clinics which are to be established in 50 municipal hospitals in China. This is in addition to the existing installations of the original TruScreen device in a number of hospitals and clinics across China, which we expect to upgrade to TruScreen2 over time.

We are also involved in two further large scale programmes in China, with the goal of being added to national screening guidelines and recommended for use in screening programmes and clinics. We have commenced a 10,000 patient evaluation with the Chinese Obstetrics and Gynaecology Association; and, post period end announced a pilot programme with the Women's and Children's Healthcare Division of the Centre for Disease Control in China, with more than 12,000 women expected to be involved.

Positive momentum in markets outside of China

While China remains our primary focus, we have also identified other markets which are of great interest, but in an earlier commercialisation stage. In particular, these include India and Latin America, which have large screening populations, limited laboratory infrastructure and are looking for a cervical screening solution.

In both countries, we are at the evaluation stage of our commercial pathway.

In India, we have commenced a research collaboration with the All India Institute of Medical Science (AIIMS) with the objective of being recommended for use in nationally funded screening programmes. This is a longer term prospect, and we have identified other shorter term prospects, including inclusion in State-run screening programmes (there are 29 States in India) and adoption by public and private hospitals and clinics.

In Mexico, we are seeking registration and inclusion in the Mexican Government's purchasing catalogue of preferred medical devices for public health. This would allow us to participate in Federal Government tenders for supply to the public sector.

In the last year, we have also created new partnerships and are collaborating with organisations in Indonesia, the Pacific Islands, South Africa and Zimbabwe.

TRUSCREEN'S NEW STATE OF THE ART MANUFACTURING FACILITY IN SYDNEY

This cutting edge facility is now fully operational and producing the highly specialised and technical, diagnostic opto-electrical front-end component of the TruScreen device.

It is accredited under TruScreen's internationally recognized ISO:13485 Quality Certification and includes a skilled team recruited for their specific expertise in optical and biomedical engineering. Many of the processes involved are unique to TruScreen, and utilise componentry specifically designed by TruScreen for its unique manufacturing needs.

The facility will expand to have the capacity to manufacture up to 200 units per month and is expected to deliver an approximate 50% improvement in gross profit per device. Further cost savings are planned as the company brings additional manufacturing, assembly, calibration and testing processes inhouse.

CHAIRMAN AND CEO'S REVIEW continued

Proportion of revenue from Single Use Sensors will grow as more devices are installed

The TruScreen device utilises a disposable Single Use Sensor for every patient. As installation and use of devices grow, so too will the demand for Single Use Sensors.

Technically, each device has a useful life of up to 10 years and, while it has the capacity to conduct up to 1,000 tests per month in a mass screening environment, we expect an average of 150 tests per month in a Chinese hospital environment, once fully deployed.

We estimate that for every 100 devices fully deployed in a Chinese hospital environment, we will generate a sustainable annuity income stream of approximately $1.4 million every year.

New manufacturing plant will improve operating efficiencies

The establishment of TruScreen's new manufacturing facility was a key initiative in FY18. Commissioned in June 2018, the facility has a current capacity of 100 electro-optical component assemblies per month (the key technical component in the TruScreen device), and is readily expandable to 200 assemblies per month as demand increases. We estimate that this will generate an approximate 50% improvement in gross profit per device, and further cost savings are expected as we bring additional manufacturing processes inhouse.

Refreshed board strengthens governance of TruScreen

We are privileged to have welcomed three new Board members since August 2017, following the departure of two long serving directors. Professor Ron Jones is a renowned gynaecologist and obstetrician, while Mr Chris Lawrence is a successful businessman and a significant investor in life science and bio technology businesses. Marie Ficarra was the most recent appointment in June 2018, post period end. She is a women's cancer marketing expert, and a passionate advocate for cervical cancer screening programmes. Marie and her husband, a medical doctor, have devoted the last three years to helping establish the Australian Gynaecological Cancer Foundation, which is devoted to raising research funds for women's cancers.

Looking Forward

The outlook for our company is positive and we are excited as we move into this next phase of our commercialisation strategy.

Our sales momentum is expected to continue, and we are aiming to reach profitability during FY19.

The vast majority of these sales will be to China, with sales also expected to Latin America, India and other smaller markets during FY19.

Over time, as more devices enter the market, we expect to see an increasingly large proportion of revenue being generated from the sales of the Single Use Sensors, providing a sustainable annuity income stream.

While China remains the primary opportunity, we have identified a number of other markets which offer significant potential and will continue working with our distribution partners to encourage adoption of the TruScreen cervical cancer screening solution.

We would like to acknowledge and thank our shareholders for their patience and their loyalty, as well as our staff, advisers and other supporters. We are now on the cusp of commercial realisation and we are confident we can deliver value to all those involved.

OUR PRIORITIES FOR FY19

- Achieve profitability
- Maximise device pull through of Single Use Sensor (SUS) in China
- Achieve inclusion in Government programmes and sales in Mexico and India
- Grow sales by at least 5x FY18
- Generate operational efficiencies, particularly by bringing manufacturing processes inhouse
- Move low tech manufacturing offshore and reduce COGS
- Leverage volumes to reduce SUS costs

Robert Hunter
Chairman

Martin Dillon
Chief Executive Officer

SAVING LIVES WITH BETTER SCREENING

TACKLING CERVICAL CANCER

Cervical cancer is the fourth most common cancer in women worldwide with about 530,000 new cases diagnosed annually and 275,000 women dying every year from the disease. The majority of these cases are in women aged between 35 and 55 years, when they are in the prime of their lives. 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. 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. However, in some women it can lead to cervical cancer. Screening programmes therefore, look either for HPV infection or abnormal cells in the cervix that might become cervical cancer if not treated appropriately.

Most developed countries have well established laboratory systems and national screening programmes, ensuring that cervical cancer can be diagnosed and treated in its very early stages. This has seen the incidence of cervical cancer decline significantly in these countries. But not all women are so fortunate. In emerging and developing countries, there is often a lack of laboratory infrastructure and expert technicians, as well as transient populations and people living in remote areas, who have poor or zero access to the minimal health infrastructure that does exist. TruScreen's real time, accurate, low cost and portable diagnostic system is the answer, and TruScreen is now available in many countries for the screening of cervical cancer. TruScreen can be used with minimal clinical training, and without the infrastructure and resource costs associated with traditional screening.

FEATURE	BENEFIT
Real-time results	Immediate feedback to patient and operator - no patient follow up required to deliver results.
Objective result	Accurate, reproducible results.
No laboratory facility needed	Allows greater access to women in remote communities and easy use.
High sensitivity	Assured level of performance, providing a high standard of cervical screening.
Automated device and error-checking during examination	Clinical confidence in the accuracy and cosistency of results
No collection of tissue samples	No pain or discomfort to the patient, leading to higher screening participation rates

THE TRUSCREEN TECHNOLOGY

TruScreen's real time cervical cancer technology utilises a digital wand which is placed on the surface of the cervix to measure electrical and optical signals from the surrounding tissue. A sophisticated proprietary algorithm framework distinguishes between normal and abnormal (cancerous and precancerous) tissue to identify precancerous change, or cervical cancer. A disposable Single Use Sensor (SUS) is used for each patient to protect against cross-infection.

Technically, each device has a useful life of up to 10 years and can conduct up to 1,000 tests per month in a mass screening environment. However, we expect an average of 150 tests per month per device in a clinical hospital environment once users are properly trained and fully operational. 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. The technology is easy to use and is not reliant on highly trained staff to interpret the results.

TruScreen has been extensively evaluated in studies involving thousands of women worldwide and clinical research is continuing to improve the accuracy of the device and technology even further.

TRUSCREEN DIRECTORS

Robert Hunter

Chariman (Chair of Remuneration and Nomination Committee)

Appointed November 2013

Robert Hunter is the chairman of TruScreen. He has been a significant investor in the TruScreen intellectual property and business operations over a 20-year period and has invaluable knowledge of TruScreen's commercial operations.

Robert has 35 years' business experience and is currently the principal of a Chartered Accounting and Corporate Advisory Practice based in Sydney. He 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, biotechnology and funds management. Robert has held honorary roles in a number of charitable, educational and sporting organisations. He is a Commerce graduate and Fellow of the Institute of Chartered Accountants in Australia.

Christopher Horn

Independent Director, (Chair of Audit, Finance and Risk Committee)

Appointed November 2013

Chris Horn has been involved with TruScreen for a number of years. He is an experienced business executive and has acted in a number of management roles including 20 years as a partner of KPMG and its predecessor firms. He is a director of a number of private companies across a broad range of business activities including corporate advisory, financial services and funds management.

Chris is a Commerce graduate from the University of New South Wales and a Fellow of the Institute of Chartered Accountants in Australia.

Professor Ronald William Jones CNZM

Independent Director (Member of Audit Finance and Risk Committee, and Medical Advisory Committee Member)

Appointed October 2017

Professor Ron Jones is a trained obstetrician and gynaecologist and was a former clinical professor at the University of Auckland. He is a widely published international authority of lower genital tract pre-cancer and cancer and past president of the International Society for the Study of Vulvovaginal Disease and chair of the Scientific Committee of the International Federation of Cervical Pathology and Colposcopy.

Prof. Jones has been involved with the TruScreen technology since the very beginning and was the Principal Investigator for a 1998 study at National Women's Hospital in Auckland, one of the key clinics used to gather early data for what was then the Cervical PolarProbe (and has now evolved into TruScreen).

Chris Lawrence

Non-executive Director

Appointed December 2017

Chris Lawrence is a successful New Zealand businessman and a significant investor in life science and biotechnology businesses including TruScreen. He has spent a substantial part of his career in small business where he has had proven success in leading market place disruption, and translating new business models into sustainable profitable businesses. In the latter part of his career, he has dedicated a large share of his time to governance and advisory roles.

Most recently Chris' focus has been on high growth companies, with a particular focus on the biotech industry.

Marie Ficarra

Independent Director

Appointed June 2018

Marie Ficarra is an experienced healthcare executive and a passionate advocate for cervical cancer screening programmes. She has specialised in the sales and marketing of pharmaceutical products and medical diagnostics, primarily related to cervical cancer, and along with her husband, has devoted the last three years to helping establish the Australian Gynaecological Cancer Foundation. In addition, Ms Ficarra has held a senior advisory role to Merck Sharp and Dohme (Australia) for the introduction and reimbursement of pharmaceuticals including the cervical cancer vaccine and served on NSW Parliamentary Committees into Health and Medical Research.

Marie is a Science graduate with honours from the University of Sydney, Australia.

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

General Manager - Technology

Dr. Colin Stahel holds a PhD in physiology from the Faculty of Medicine at 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 in Commerce and Medicine and is a qualified Gynaecologist from China. He is fluent in English and Mandarin.

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

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

Paul Curran

General Manager – Operations

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

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

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

James Haindl

Biotechnologist

Mr. James Haindl holds a Bachelor of Biotechnology. His particular expertise is in medical biotechnology most specifically in microbiology, biochemistry, genomics, medical devices and diagnostics.

Mr. Haindl is heavily involved with the manufacturing, supply chain management, technical assistance, research and development, product training, and quality management of the TruScreen product.

Mr. Haindl also works closely with the medical advisory committee at the Royal Hospital for Women to conduct clinical performance evaluations.

Dr. Akila Seneviratne

Algorithm Expert

Dr. Akila Seneviratne holds a Bachelor of Science in electrical and electronic engineering and a PhD. 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

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.

She has recently completed a post graduate diploma in Clinical Research at Monash University. Dr. Velasquez assists in the preparation and conduct of clinical research in Australia & 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.

Dr. Zhenglin Wang

Electro-Optical Production Manager

Dr. Zhenglin Wang holds a PhD. in Laser Physics, a Masters Degree in Optics and Bachelor of Science in Optoelectronics. He has been engaged in the manufacture and development of a range of optical technologies including ophthalmic lasers and wavelength selective switch systems for communication technologies.

Dr. Wang led the establishment of, and now manages, the new TruScreen Electro-Optical fabrication facility based in the Industry Collaboration Hub at the Commonwealth Scientific and Industrial Research Organisation (CSIRO), in Sydney.

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.

SHAREHOLDER INFORMATION

ISSUED CAPITAL AS AT 1ST JULY 2018

TRU(NZL)	202,152,621
Current Holders	833

INVESTOR DOMICILE AT 1ST JULY 2018

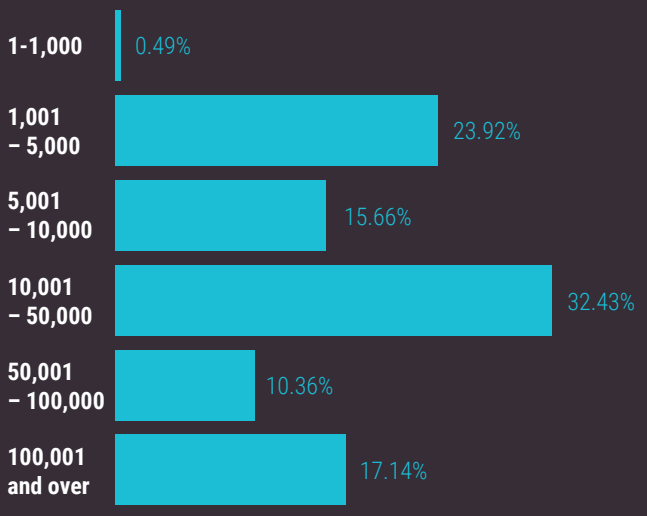
Holders

New Zealand	714
Rest of World	39

Issued Capital

New Zealand	137,248,613
Rest of World	64,904,008

INVESTOR RANGES TRU(NZL) AS AT 1ST JULY 2018



TOP 20 SHAREHOLDERS

Top 20 Shareholder	Number of shares	% of capital
Consolidated Nominees Pty Ltd	29,539,900	14.61
Browns Island Holdings Limited	20,000,000	9.89
Waitara Trustees Limited	16,622,222	8.22
Lah Investment Co Pty Ltd	10,062,500	4.98
Consolidated Nominees Pty Ltd	10,062,500	4.98
Idl Trustee Limited	10,000,000	4.95
Albert Nominees Limited	10,000,000	4.95
New Zealand Central Securities Depository Limited	9,317,802	4.61
Forsyth Barr Custodians Limited	5,876,913	2.91
Masfen Securities Limited	5,625,000	2.78
Custodian Nominee Company Limited	3,890,000	1.92
Samuel Hamish Macdonald	3,000,000	1.48
Cbt Trustee Limited	3,000,000	1.48
Leveraged Equities Finance Limited	2,363,071	1.17
James Winston Hunter & Elizabeth Henderson-Hunter	1,876,600	0.93
Valerie Anne Hunter	1,685,920	0.83
Christopher Lawrence Horn & Marilyn Gai Horn	1,550,000	0.77
Martin James Dillon	1,500,000	0.74
Mark David John Williams	1,250,000	0.62
Sean Robert Joyce	1,250,000	0.62

FINANCIAL STATEMENTS & AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2018

	Note	2018	2017
		$	$
Revenue from the sale of goods	6	804,062	585,388
Other income	6	1,374,581	810,202
Changes in inventories		(66,343)	408,944
Purchases of inventory		(741,607)	(881,746)
Employee benefit expenses and directors' fees	7	(1,419,333)	(1,174,222)
Administration		(578,497)	(470,394)
Research and development expenses		(1,905,710)	(1,190,910)
Rent		(97,471)	(95,625)
Travel		(97,901)	(156,900)
Marketing & product approvals		(393,485)	(561,811)
Insurance		(73,048)	(87,424)
Shareholder relations & services		(95,675)	(91,999)
Foreign exchange loss		(342,388)	(68,502)
Amortisation & depreciation	7	(535,977)	(528,134)
Finance costs		-	(37,477)
Loss before income tax		(4,168,792)	(3,540,610)
Income tax expense	8	-	-
Loss for the period		(4,168,792)	(3,540,610)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign subsidiary operations	19	(17,671)	(241,728)
Other comprehensive (loss)/income for the period		(17,671)	(241,728)
Total comprehensive loss for the period		(4,186,463)	(3,782,338)
Basic and diluted losses per share (cents)	10	(2.1)	(2.1)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018	2017
		$	$
CURRENT ASSETS			
Cash and cash equivalents	11	1,212,454	3,671,571
Other receivables	12	1,314,456	791,791
Loan receivable	12	75,000	-
Trade receivables	12	-	217,397
Goods and services tax recoverable		155,849	69,395
Inventories	13	401,185	467,527
Other assets – prepayments		55,556	77,100
TOTAL CURRENT ASSETS		3,214,500	5,294,781
NON-CURRENT ASSETS			
Plant and equipment	15	7,536	8,275
Intangible assets	16	8,944,813	9,738,424
TOTAL NON-CURRENT ASSETS		8,952,349	9,746,699
TOTAL ASSETS		12,166,849	15,041,480
CURRENT LIABILITIES			
Trade and other payables	17	419,491	644,587
Provision for employee benefits	18	109,162	72,605
TOTAL CURRENT LIABILITIES		528,653	717,192
NON-CURRENT LIABILITIES			
Provision for employee benefits	18	22,314	-
TOTAL NON-CURRENT LIABILITIES		22,314	-
TOTAL LIABILITIES		550,967	717,192
NET ASSETS		11,615,882	14,324,288
EQUITY			
Issued capital	9 & 20	23,443,996	21,800,585
Share option reserve	19 & 20	3,970	172,800
Foreign currency translation reserve	19	(556,975)	(539,304)
Accumulated losses		(11,265,109)	(7,109,793)
Total Equity		11,615,882	14,324,288

On behalf of the board as at 30 July 2018

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 2018

	Note	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Total
		$	$	$	$	$
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		-	-	-	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
Balance at 1 April 2017		21,800,585	(7,109,793)	(539,304)	172,800	14,324,288
Loss for the period to 31 March 2018		-	(4,168,792)	-	-	(4,168,792)
Exchange differences on translating foreign subsidiary operations	19	-	-	(17,671)	-	(17,671)
Total comprehensive income for the period		-	(4,168,792)	(17,671)	-	(4,186,463)
Transactions with owners, in their capacity as owners						
Issue of shares re share placement plan	9	897,500	-	-	-	897,500
Share issue cost		(40,849)	-	-	-	(40,849)
Issue of or subscription for ordinary shares on exercise of option	9	776,760	-	-	(155,354)	621,406
Lapse of share option	20	-	13,476	-	(13,476)	-
Total transactions with owners		1,633,411	13,476	-	(168,830)	1,478,057
Balance at 31 March 2018	10	23,433,996	(11,265,109)	(556,975)	3,970	11,615,882

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2018

	Note	2018	2017
		$	$
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers		1,019,183	754,043
Cash paid to suppliers and employees including GST		(5,577,047)	(4,436,358)
Cash received 43.5% refundable tax offset	1(e)	808,167	1,126,610
Interest paid		-	(37,477)
Interest received		20,506	17,598
Net cash to operating activities	21	(3,729,191)	(2,575,584)
CASH FLOW TO INVESTING ACTIVITIES			
Development of intangible asset – upgraded cervical cancer console	16	-	(141,188)
Purchase of plant and equipment		(3,110)	(6,355)
Net cash to investing activities		(3,110)	(147,543)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	9	1,322,500	4,090,000
Share subscriptions not issued at reporting date	9	121,408	-
Share issue costs		(170,724)	-
Net cash from financing activities		1,273,184	4,090,000
Net (decrease) / increase in cash and cash equivalents		(2,459,117)	1,366,873
Cash and cash equivalents at the beginning of the financial year		3,671,571	2,304,698
Cash and cash equivalents at the end of the financial year	11	1,212,454	3,671,571

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 6 Equitable House, 57 Symonds St, Grafton, 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 30 July 2018 by the Directors of the company.

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").

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. The financial statement have been rounded to the nearest dollar

a. Going Concern

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

For the year ended 31 March 2018

- The Group incurred a loss of $4,168,792 (2017: $3,540,610) for the year.
- The Group had net cash out-flow from operating activities of $3,729,191 (2017: $2,575,584).
- At 31 March 2018 the Group had a net working capital surplus of $2,685,847 (2017: $4,577,589).
- The Group has a cash balance of $1,212,454 (2017: $3,671,571) that supports some 5/6 months of funding in hand. There is no additional funding or bank facilities in place.

Having obtained certain country regulatory approvals along with confirmation of its technology and development with proof of clinical trials the Group is beginning to move into a manufacturing/sales phase of its business cycle. The Group needs a level of working capital to meet its manufacturing and sales operation. As a result there are a number of material risks still impacting the business which are outlined in Note 3. These risks may impact the Group's ability to achieve the cash flow forecasts. Dependent on actual timing of results the 12 month cash flow reports barely sufficient cash position in the period to 31/7/19. However, the forecast is susceptible to changes in assumptions (including those risks outlined in note 3) such that there may be additional shortfalls in cash flow which may result in the Group inot being able to meet its obligations as they fall due.

Because of the above reasons there remains a material uncertainty as to whether the Group will generate sufficient cash flows and therefore continue as a going concern for 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:

- The Board have approached and informally engaged with an Auckland firm of Brokers, Foster Capital NZ Ltd to assist in a capital raise of up to $1.5m by private placement and an additional share placement plan raise of $500k, a new capital raise of $2m. Based on discussions with the Broker the Board believe with the market outlook and the appetite of existing and prospective investors the capital raise will be fully supported in order for the Company to meet its forecast and therefore meet its obligations as and when they fall due.
- In addition the Board consider the cash flow forecasts to be achievable and that the timing of events will occur such that a cash flow deficit will not eventuate. The Board consider managing cash flow and working capital critical in successfully executing the strategies to achieve the business model of Truscreen.

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 $8,944,813 (2017: $9,738,424);
- 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 incorporated on 6 November 2013
- TruScreen S. de R.L de C.V which was incorporated on 17 August 2017

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
TruScreen S. de R.L. de C.V.	Mexico	Mexican Peso

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 "Research and Development Grant" ("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) Investing activities are those relating to acquisition of subsidiaries, the addition, acquisition and disposal of property, plant and equipment and intangibles;

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

(iii) 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.

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 plant and equipment range between: –16.67% and 50% 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

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

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

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 acquired from Ure Lynam Financial Services Pty Limited are recognised at cost which is determined based on fair value.

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

Research & Development

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

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

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

o. Share Capital

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

p. Employee Benefits

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

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

q. Share Based Incentive Plan

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

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

r. 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 beginning 1 April 2018. NZ IFRS 9 includes amended classification requirements for financial assets and amended requirements for impairment of financial assets and for hedge accounting.

In the 2017 financial statements the Group indicated that implementation of NZ IFRS 9 would not have a significant impact on the financial statements. This is as:

i. The requirements of NZ IFRS 9 for the measurement of financial assets held by the Group are the same as existing requirements;

   The Group's financial assets consist of cash ($1,212,454), short term loans with a small interest component that will be held until receipt ($75,000), and receivables with no interest component ($1,314,456). The receivables are held until payment is received. Accordingly, these assets will be classified as subsequently measured at amortised cost under the new standard. Due to the insignificant amount of interest, if any, which is charges at market value this measurement criteria is the same as currently used;

ii. The changes regarding impairment have no impact on the Group. Cash balances are held with investment grade financial institutions; the R&D Grant is receivable from the Australian Government who is classified as investment grade and other balances are not significant;

iii. No hedge transactions are entered into.

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 will apply this standard from the Financial Year beginning 1 April 2018.

The Group has assessed that adoption of NZ IFRS 15 from 1 April 2018 will have no impact on the financial statements. Sales are currently recognised when title and risk transfer to the purchaser. For our sales that is the same time control of the goods passes to the customer. There are no performance obligations past the point title transfers except the obligations that exist for all supplies of goods in that they must be fit for purpose. All product is quality checked before being supplied. Price continues to be agreed prior to supply. Accordingly, the point of revenue recognition remains the same under NZ IFRS 15 as it was under NZ IAS 18.

NZ IFRS 16 – Leases

NZ IFRS is applicable to reporting periods commencing on or after 1 January 2019.

Rental expense arises from the monthly A$7,500 paid to Ure Lynam & Co. for use of a fully serviced office- refer Note 22b. This arrangement operated on a month to month basis. Accordingly, this arrangement, if classified as a lease, is a lease of no more than 1 month duration and Truscreen elects to treat this as a short-term lease and not apply the recognition requirements of NZ IFRS 16. As the Group has no other arrangements that may be classified as lease, the introduction of NZ IFRS 16 will have no effect on the financial statements.

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:

• *Going Concern*

Refer note 1 "a"

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

• *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.

NOTE 3.
PRINCIPAL BUSINESS RISKS

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 anticipated sales are not achieved.

Competition

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

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

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

Unsuccessful Marketing

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

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

Our products, which use different technology or applies technology in different ways than other medical devices, are 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. In particular, the Indian market constitutes over 50% of the forecast revenue growth. Failure to achieve market penetration or obtain acceptability of the product in India will have a direct impact in the business model and success of Truscreen globally. 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, 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 defense 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 for single use sensors (the consumable) 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 4.
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	2018	2017
		$	$
Financial assets			
Cash and cash equivalents	11	1,212,454	3,671,571
Loans and receivables			
Research and development grant	12	1,312,180	791,791
Other receivable	12	2,276	-
Loan receivable	12	75,000	-
Trade receivables subject to credit risk	12	-	217,397
Total loans and receivables		1,389,456	1,009,188
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	17	419,491	644,587
Total financial liabilities at amortised cost		419,491	644,587

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	
	2018	2017	2018	2017
	$	$	$	$
USD	438,105	1,126,015	-	4,599
GBP	18,688	17,004	-	-

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 a reasonable 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.

	2018	2017
	$	$
USD	35,048	100,871
GBP	1,493	3,596

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$62,667 (2017: 1.50% of NZ$2,391,579) on cash held in AUD.

- 1.15% of NZ$643,281 (2017: 1.15% of NZ$353,822) on cash held in NZD.

- 0.50% of NZ$18,668 (2017: 0.50% of NZ$17,004) on cash held in GBP.

- Nil of NZ$438,105 (2017: Nil of NZ$908,618) on cash held in USD.

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	2018	2017
Cash at bank		$	$
S&P short term rating A-1+		1,193,254	3,654,019
S&P short term rating A-2		18,668	17,004
	11	1,211,922	3,671,023

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 trade receivables subject to credit risk as at 31 March 2018 amounted to nil (2017- $217,397) 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 a from the Australian Government.

The loan receivable of $75,000 is subject to credit risk but is secured against 750,000 Truscreen Limited shares, and relates to an employee – refer to note 12&22.

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 2018	$	$	$	$
Trade and other payables	419,491	419,491	419,491	-

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	-

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

(a) Fair value

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

(b) Capital risk management

There are no external capital requirements.

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

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

NOTE 5.
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:

	2018	2017
	$	$
Information about products and services		
Total Revenues from external customers	804,062	585,388
Information about geographical areas		
Revenue from external customers by country of domicile:		
New Zealand	-	-
Foreign country:		
Mexico	100,036	189,764
China	563,042	136,150
Russia	60,679	95,539
Iran	-	39,580
Turkey	-	29,130
Others	80,305	95,225
	804,062	585,388

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

	Note	2018	2017
		$	$
Non-current assets other than financial assets by country in which the entity holds those assets			
Foreign country – Australia			
Plant and equipment	15	7,536	8,275
Intangible assets	16	8,944,813	9,738,424
Total non-current non-financial assets		8,952,349	9,746,699

The following customers contributed more than 10% of the Group's revenue for the year ended 31 March 2018:

Domicile of Customer

	2018		2017	
	$	%	$	%
Mexico	100,036	12	182,764	32
China	563,042	70	136,150	23
Russia	60,679	8	95,539	16

NOTE 6. REVENUE

	2018	2017
	$	$
Sales revenue - sale of goods	804,062	585,388
Other income		
R&D Grant	1,354,075	792,604
Interest received	20,506	17,598
	1,374,581	810,202

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

NOTE 7.
EXPENSES

	Note	2018	2017
		$	$
Loss before income tax includes the following specific expenses:			
Employee benefits expense			
Wages and salaries		1,051,924	861,372
Staff superannuation – defined contribution plan	7 a.	105,845	99,798
Provision for annual leave		41,156	18,234
Provision for long service leave		22,700	-
Directors fees	25	180,332	185,000
Payroll tax		17,376	9,730
Share based payments – options	20	-	88
		1,419,333	1,174,222
Administration and other operating expenses include:			
Fees for audit of financial statements for the year ended 31 March 2018/year ended 31 March 2017		78,906	91,758
Other assurance services		6,703	1,500
Total remunerations of auditors		85,609	93,258
Amortisation of intangible assets	16	532,297	523,346
Depreciation of Plant and Equipment	15	3,680	4,788
Total amortisation & depreciation		535,977	528,134

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 8.
INCOME TAX EXPENSE

	2018	2017
	$	$
Loss for the year	(4,168,792)	(3,540,610)
Prima facie income tax saving using the applicable country's tax rate (28% for NZ; 27.50% for Aus.; 19% for UK)	1,147,023	1,056,351
Expenses deductible for tax in the current period but expensed for accounting purposes in prior periods /(not deductible for tax in the current period)	(106,160)	(20,393)
Not recognised as a deferred tax asset	(1,040,863)	(1,035,958)
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.

	2018	2017
	$	$
Deductible temporary difference	517,245	135,655
Unused tax losses	6,775,027	5,109,814
Total	7,292,272	5,245,469

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

	2018	2018	2017	2017
Group	Number	$	Number	$
Balance at beginning of the year of fully paid ordinary shares	190,329,166	21,800,585	164,766,666	17,840,460
Ordinary shares issued			-	-
Share purchase plan	5,609,375	897,500	-	-
Exercise of options – note 20	6,214,080	621,408	-	-
Options cost related to options exercised	-	155,352	-	-
Shares issued via private placement			25,562,500	4,090,000
Share issue costs	-	(40,849)	-	(129,875)
Balance at 31 March	202,152,621	23,433,996	190,329,166	21,800,585

No particular number of shares are authorised. 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:

a. current period:

i. i. via a share purchase plan to institutional and eligible investors (5,609,375 ordinary shares issued at 16 cents per share); and

ii. via options being exercised (4,250,000 ordinary shares issued at 10 cents per share). Out of the 6,214,080 options exercised, 1,964,080 shares were registered after the year end on 16 April 2018 due to administration process of the Companies register that took 10 working days.

b. prior period:

private placement to institutional and eligible investors (25,562,500 ordinary shares issued at 16 cents per share).

NOTE 10. EARNINGS PER SHARE

	2018	2017
Basic and Diluted loss per share:		
Net loss attributable to shareholders	(4,168,792)	(3,540,610)
Weighted average number of ordinary shares on issue	195,565,005	165,256,906
Basic loss per share (cents) (based on weighted average number of shares on issue)	(2.1)	(2.1)

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

NOTE 11. CASH AND CASH EQUIVALENTS

	2018	2017
	$	$
Cash on hand	532	548
Cash at bank	1,211,922	3,671,023
	1,212,454	3,671,571

Cash at bank is earning interest at a floating rate at the reporting date it ranged from 0% to 1.50% (2017: 0% to 1.50%). Cash at bank is at call.

NOTE 12.
TRADE AND OTHER RECEIVABLES

	2018	2017
	$	$
CURRENT		
Other receivables		
Research and development grant	1,312,180	791,791
Other	2,276	-
	1,314,456	791,791
Loan receivable	75,000	-
Trade receivables subject to credit risk	-	217,397
	1,389,456	1,009,188

No interest is charged on receivables.

Refer to Note 6 regarding income from the research and development grant.

The loan receivable is on commercial terms to assist an employee, Mr. Martin Dillon, in exercising options to purchase 750,000 ordinary shares, interest is charged at 5.25% per annum and the loan is repayable within 12 months.

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)					
2018	1 – 60 days	60 – 90 days	90 – 180 days	Over 180 days	**Total past due**	Within Initial Trade terms
	$	$	$	$	$	$
Other receivables	-	-	-	-	-	1,314,456
Loan receivable	-	-	-	-	-	75,000
	-	-	-	-	-	1,389,456

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

As of 31 March 2018, no trade receivables were impaired and provided for.

No collateral is held over trade and other receivables.

NOTE 13.
INVENTORIES

	2018	2017
	$	$
Finished goods at cost	401,185	467,527

There have been no impairment losses during the year.

NOTE 14.
INTERESTS IN SUBSIDIARIES

Subsidiaries are:

Name of Subsidiary	Principal Place of Business	Ownership Interest held by the group	
		2018	2017
Truscreen Pty Limited	Australia	100%	100%
Truscreen Ltd (UK)	UK	100%	100%
TruScreen S. de R.L. de C.V.	Mexico	100%	N/A

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 $12,224,457 (2017 $11,144,966). 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. In 2018 TruScreen Ltd (UK) made no sales.

TruScreen S. de R.L. de C.V. is non-operating.

NOTE 15.
PLANT AND EQUIPMENT

	Note	2018	2017
		$	$
Plant and equipment at cost		20,763	18,157
Accumulated depreciation		(13,227)	(9,882)
		7,536	8,275

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

		2018	2017
		$	$
Opening net book value		8,275	6,951
Additions		3,110	6,355
Depreciation charge	7	(3,680)	(4,788)
Foreign currency reserve movement		(169)	(243)
Closing net book value		7,536	8,275

NOTE 16.
INTANGIBLE ASSETS

	Note	Intellectual Property	Development cost	Total
		$	$	$
Cost				
Opening balance 1 April 2016		**7,913,647**	**2,969,102**	**10,882,749**
Net exchange differences arising on the translation of the financial statements into the presentation currency		(106,941)	(40,123)	(147,064)
Balance as at 31 March 2017		**7,806,706**	**2,928,979**	**10,735,685**
Net exchange differences arising on the translation of the financial statements into the presentation currency		(216,734)	(81,315)	(298,049)
Balance as at 31 March 2018		**7,589,972**	**2,847,664**	**10,437,636**
Accumulated Amortisation				
Balance as at 1 April 2016		(463,084)	-	(463,084)
Amortisation recognised during the period	7	(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)**
Amortisation recognised during the period	7	(387,451)	(144,846)	(532,297)
Net exchange differences arising on the translation of the financial statements into the presentation currency		30,208	6,527	36,735
Balance as at 31 March 2018		**(1,208,056)**	**(284,767)**	**(1,492,823)**
Carrying amounts				
Balance as at 31 March 2017		**6,955,893**	**2,782,531**	**9,738,424**
Balance as at 31 March 2018		**6,381,916**	**2,562,897**	**8,944,813**

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 16 years and 8 months useful life remained 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 18 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 ('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 Directors 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 3 Principal Business Risks.

The projections relate to the markets in which Truscreen is in the process of establishing its business: principally China and India. 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.

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% (2017: 2%), based on long term economic growth prospects;
- Achievement probabilities: 60% in year 1 to 24% in year 5 (2017: 60% to 24%), 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;
- A range of WACC rates of between 13.4% and 19.07% (average applied 16.24%) (2017: 13.52% and 19.20%) 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 $27.7m (2017: $25.7m). The carrying value of the CGU is $10.4m (2017: $11.3m), including the carrying value of the Intangible Assets of $8.9m (2017: $9.7m).
- Hence, the headroom based on the value in use estimate is $17.6m (2017: $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. There is significant market penetration forecast from the Chinese and Indian markets (over 50%) that is assumed in the cashflow forecasts. Should the forecast cash flows and underlying assumptions of the Group not be achieved, actual cash flows would vary from those forecasted 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 (2017: 60% to 24%), 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 16.24% (2017: 16.36%), to account for time value of money and associated risks. This is based on current market rates adjusted for business and specific risks;
- Revenue exit multiples of between 1.5 and 2.5 (2017: 1.5 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 $23.7m.
- This provides support for the DFCF approach valuation estimate of $27.7m.

Sensitivity Analysis

- Under the DFCF approach, the value in use hypothetically reduces to the carrying value of $10.1m when either:

a) The probability of success reduced to approximately 29% in the first year of projection and 0% in the last year of projection or

b) The post-tax WACC increased to approximately 36%.

c) If Indian market does not achieve projected revenue and only obtains 9% of the forecast revenue over the 5 year period.

Review Conclusion

- The Directors have considered the DFCF valuation estimate of $27.7m, the headroom of $17.6m 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.
- The Directors have concluded that the $8.9m carrying value of the Truscreen Intangible Assets is not impaired as at 31 March 2018.

NOTE 17.
TRADE & OTHER PAYABLES

	2018	2017
	$	$
CURRENT		
Other payables and accruals	419,491	644,587

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

	2018	2017
	$	$
CURRENT		
Employee liabilities	109,162	72,605
NON-CURRENT		
Employee liabilities	22,314	-
	131,476	72,605

The current portion of 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.

The non-current portion of employee liabilities represents amounts accrued for long service leave entitlements that have not yet vested as the employees have not yet completed the required period of service.

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 currency to the presentation currency of the Group (NZD).

The share option reserve records items recognised as expenses on valuation of share options issued to employees and directors but not yet exercised or lapsed.

NOTE 20.
SHARE BASED PAYMENTS – OPTIONS

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

	2018 #	2018 $	2017 #	2017 $
Options premium on issue at start of period	6,900,000	172,800	6,900,000	172,800
Cost of options exercised and shares issued – note 9	(6,214,080)	(155,352)	-	-
Options lapsed	(535,920)	(13,478)	-	-
Options on issue and exercisable at the end of the period	150,000	3,970	6,900,000	172,800

All options had vested and were exercisable at 31 March 2017 and 31 March 2018.

Options are exercisable and were exercised 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.
- Shares are issued not less than 10 days and not more than 15 days after payment of the strike price in respect of the options.

b. Contractual life –

- Contractual life – Options may only be exercised in the period commencing from the date of issue 8 October 2014, and ending on that date 48 calendar months from the date of their issue (6,750,000 had a life ending at 27 March 2018 and 150,000 at 8 October 2018).

c. Of the 6,214,080 options exercised, 1,964,080 shares were issued after year end - refer note 9.

NOTE 21.
CASH FLOW INFORMATION

	Note	2018 $	2017 $
Reconciliation of cash flow from operations with loss after income tax			
Loss for the period		(4,168,792)	(3,540,610)
Adjusted for:			
Share based expense payment – employment expenses		-	88
Depreciation and amortization		535,977	528,134
Unrealised exchange difference arising from translating loss items at the date of transaction and translating cash balances at year end rates		243,810	(83,591)
Operating cash flows before working capital changes		(3,389,005)	(3,095,979)
(Increase)/Decrease in trade and other receivables		(305,268)	547,601
(Increase) in goods and services taxes recoverable		(86,454)	(6,789)
Decrease/(Increase) in prepayments		64,591	89,457
(Increase)/Decrease in inventory		23,295	(408,945)
Increase/(Decrease) in trade and other payables		(95,221)	303,453
(Decrease)/Increase in employee liabilities		58,871	(4,382)
Net cash to operating activities		(3,729,191)	(2,575,584)

NOTE 22. RELATED PARTY TRANSACTIONS

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

(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

(i) Key management personnel:

Directors Mr Tim Preston, Mr Sean Joyce and Mr Chis Horn each exercised options to purchase 1,250,000 shares issued in prior financial years at a strike price of 10 cents per share.

A loan on commercial terms of $75,000 was made to an employee, Mr Martin Dillon – refer to note 12.

(ii) Other related parties

Prior to his appointment as a director, Professor Jones was a member of the medical advisory board. Professor Jones was paid $2,009 for his services as a member of the medical advisory board.

In the 2017 financial year Truscreen Ltd engaged Mr. Chris Horn, who is a director, to provide various consulting and advisory services outside his duties as a board member, for which he was paid a total of $27,974. In the 2018 financial year except for director fees, no payment was paid to Mr. Horn.

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 $264,012 (2017: $153,549) of which $143,859(2017: $66,761) 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 $62,015 (2017: $55,717) of which $25,000 remained unpaid at March 31. The amount of $10,544 (2017: $9,669) was paid for advice and services relating to capital raising for the Share Purchase Plan.

Ure Lynam & Co provides Truscreen Pty Limited a fully serviced office including reception services at a monthly charge of A$7,500. Total fees paid by the Group related to these services were $97,471 (2017: $95,625).

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

Subsequent to the 31 March 2018 Truscreen completed the build of and commenced operation of a facility to manufacture the diagnostic opto-electric front end component of its device. The total cost of this facility is $150,000 not including internal labor. The facility is a premise occupied on a month to month basis at a cost of $2,735.

Except for the 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 2018.

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:

	2018	2017
	$	$
Short-term employment benefits – Directors fees	180,332	185,000
Mr. Martin Dillon		
Short-term employee benefits - Salary	216,779	222,969
Post employment benefits – Superannuation	22,755	23,405
Total employment benefits	239,534	246,374
Total	419,866	431,374

Mr. Dillon's employment benefits were paid by Truscreen Pty Limited, a subsidy.
Directors fees were paid by Truscreen Limited.

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

	Directors fees	Total
	$	$
2018		
Christopher Horn	40,000	40,000
Robert Hunter	65,000	65,000
Sean Joyce	30,500	30,500
Tim Preston	21,500	21,500
Chris Lawrence	6,667	6,667
Ron Jones	16,666	16,666
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

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 2018, 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 2018, 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 the shareholders' attention to Note 1a. Going Concern, of the consolidated financial statements, which indicates that the Group incurred a loss of $4,168,792 during the year ended 31 March 2018 and generated an operating cash flow loss of $3,729,191. As stated in Note 1a., these along with other conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and that it may be unable to realise its assets and discharge its liabilities in the normal course of business. 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, 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.

BDO Auckland

Key Audit Matter	How The Matter Was Addressed in Our Audit

Impairment assessment of definite life intangible assets

Intangible Assets of $8,945k are material and significant to the financial position of the Group. The carrying value of this balance is considered to be a key audit matter, due to the judgements involved in assessing the its recoverable value during the impairment assessment.

Given the principal business risks associated with the Group and the industry in which it 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 and their expert, 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, a 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 3 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 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 engaged 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.
- We assessed the business' ability to scale and meet forecasts.

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 an 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 model.

BDO Auckland

Key Audit Matter (cont.)	How The Matter Was Addressed in Our Audit (cont.)
Recognition and measurement of Research & Development ("R&D") Grant	
The Group has recognised $1,354k in R&D Grant income and a corresponding $1,313k receivable in its financial statements as at 31 March 2018. The R&D Grant allows the Group to recover 43.5% of expenditure in cash from the Australian Tax Authority 'ATO' in respect of eligible expenditure incurred towards research and development. The R&D Grant is subject to pre-approvals on the Group's R&D activities from the ATO before a claim can be made to recover a portion of eligible R&D costs incurred. The R&D Grant is material to the financial statements and involves significant management judgement to determine both the nature of the costs incurred and their eligibility to be claimed under the R&D Grant. Further, this amount remains outstanding subsequent to reporting date, and there is a risk that the balance may not be approved, for payment in full, by the ATO.	Our work to assess the measurement and recognition R&D Grant receivable involved BDO Australia reviewing the Group's entitlement to the R&D Grant which was quantified and applied for by the Group's expert. The R&D application was reviewed with the associated activities and expenditure to assess compliance with the ATO's requirements. We obtained evidence of the Group's successful Grant application and pre-approval of R&D activities, awarded by the ATO. We assessed the Group's history in lodging and receiving successful claims. We discussed with the Group's expert and Management the processes taken to identify eligible R&D expenditure and their expectation in respect of the Grant's approval and recoverability.

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.

BDO Auckland

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 (refer note 1.a), 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 aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/

This description forms part of our auditor's report.

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

BDO Auckland
Auckland
31 July 2018


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, 2018.

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. As at March 31, 2018 there were 4 Directors on the board. From 1 June, 2018, post period end, there are now 5 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, Ron Jones, and Marie Ficarra*;

Non Independent Directors because of disqualifying relationships: Robert Hunter and Chris Lawrence.

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 Ronald Jones and Chris Lawrence 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.

**Appointed 1 June, 2018 - Post Period End*

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, 2018. All Directors were available for and attended all Board Meetings during the 12 month period ending 31 March, 2018. 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		Ron Jones		Chris Lawrence	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Full Board	11	11	6	6	11	11	4	4	5	5	4	4
Audit Committee			1	1	4	4	2	2	1	1		
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 of 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, 2018.

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 of Chris Horn, Ron Jones 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 four times during the 12 months to 31 March, 2018.

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. As at 31 March, 2018 the Directors' fee pool limit was NZ$185,000. Following the appointment of a 5th Director, post period end, the current Directors' fee pool limit is NZ$225,000.

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 21, 2017, 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 2017 to 31 March 2018 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 of 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 2018:

Name	Company	Interest
Hunter, Robert	Ure Lynam & Co	Director
	Ure Lynam Financial Services Pty Ltd	Director
	Consolidated Nominees Pty Ltd	Director
Lawrence, Christopher	Brown's Island Holdings	Director
Timothy Preston	Betalert Limited	Director
	CM Partners Limited	Director
	Coffee Express Limited	Director
Sean Joyce	CM Partners Limited	Director
	Connaught Trust Limited	Director
	Connemara Capital Limited	Director
	Connemara Consulting Limited	Director
	CSM Group Limited	Director
	East Investments Limited	Director
	Excalibur Capital Nominee Company Limited	Director
	Excalibur Capital Partners Limited	Director
	FGI Capital Limited	Director
	Holland Park Limited	Director
	Mounterowen Limited	Director
	North Investments Limited	Director
	NZF Group Limited	Director
	T B Trust Limited 20	Director
	TTL Limited	Director
	Wilary NZ Limited	Director
	NZ Windfarms Limited	Director
	Blackwell Global Holdings Ltd	Director
	Best Start Early Childcare Ltd	Director
	Selector Group Ltd	Director

DIRECTORS' REMUNERATION

The total of 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	$30,500
Tim Preston	$21,500
Ron Jones	$16,666
Christopher Lawrence	$6,667

EXECUTIVE EMPLOYEES REMUNERATION

Five employees of the Parent, not being directors of the Parent, during the period ended 31 March 2018, 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
100,000 – 109,999	1
150,000 – 159,999	3
230,000 – 239,999	1

DIRECTORS' SHAREHOLDING

Directors held relevant interests in the following equity securities as at 31 March 2018:

Director	Number of ordinary shares	Nature of Relevant Interest in Ordinary Shares
Robert Hunter	39,602,400	Beneficial
Christopher Lawrence	20,000,000	Beneficial
Christopher Horn	1,550,000	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

The company made no donations during the accounting period

DIRECTORS

The persons who held office as Directors of the Parent as at 31 March 2018 are Christopher Horn, Robert Hunter, Ronald Jones and Christopher Lawrence.

Timothy Preston ceased to hold office as a director on 21 September 2017 and was replaced by Ronald Jones on 17 October 2017.

Sean Joyce resigned as a director on 19 December 2017 and was replaced by Christopher Lawrence on 21 December 2017.

The following persons held office as Directors of subsidiary companies as at 31 March 2018

- TruScreen Pty Ltd:
  Christopher Horn and Robert Hunter
- TruScreen Ltd (UK):
  Christopher Horn, Martin Dillon and Tristan Kirchner
- TruScreen S de R.L de C.V.:
  Christopher Horn and Robert Hunter

No person ceased to hold office of a subsidiary during the period ended 31 March 2018.

REMUNERATION OF AUDITORS – FINANCIALS OF FY18

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

Auditor's remuneration	Amount
Fees for the audit of financial statements for the year ended 31 March 2018/period ended 31 March 2017	$78,906
Other assurance services	$6,703
Total	$85,609

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

DIRECTORS

Robert Hunter
Sydney, New South Wales,
Australia

Christopher Horn
Sydney, New South Wales,
Australia

Ronald Jones
Remuera, Auckland,
New Zealand

Christopher Lawrence
St Heliers, Auckland,
New Zealand

Marie Ficarra,
Sydney, New South Wales,
Australia

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New Zealand

SHARE REGISTRAR

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