TruScreen
Group Limited

2021 Annual Report

truscreen

Corporate Directory

DIRECTORS

Anthony Ho – Non-Executive, Independent Chairman
Christopher Horn – Non-Executive Independent Director
Juliet Hull – Executive Director, Interim Chief Executive Officer
Dr Dexter Cheung – Non-Executive Independent Director

MANAGEMENT

Edmond Capcelea – Chief Technology Officer
Guy Robertson – Chief Financial Officer

REGISTERED OFFICE

C/- HLB Mann Judd Limited,
Level 6, Equitable House
57 Symonds Street, Grafton,
Auckland, New Zealand

NZX Code : TRU

ASX Code : TRU

AUDITOR

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Newmarket
Auckland 1023
New Zealand

SHARE REGISTRAR

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enquiries@linkmarketservices.co.nz

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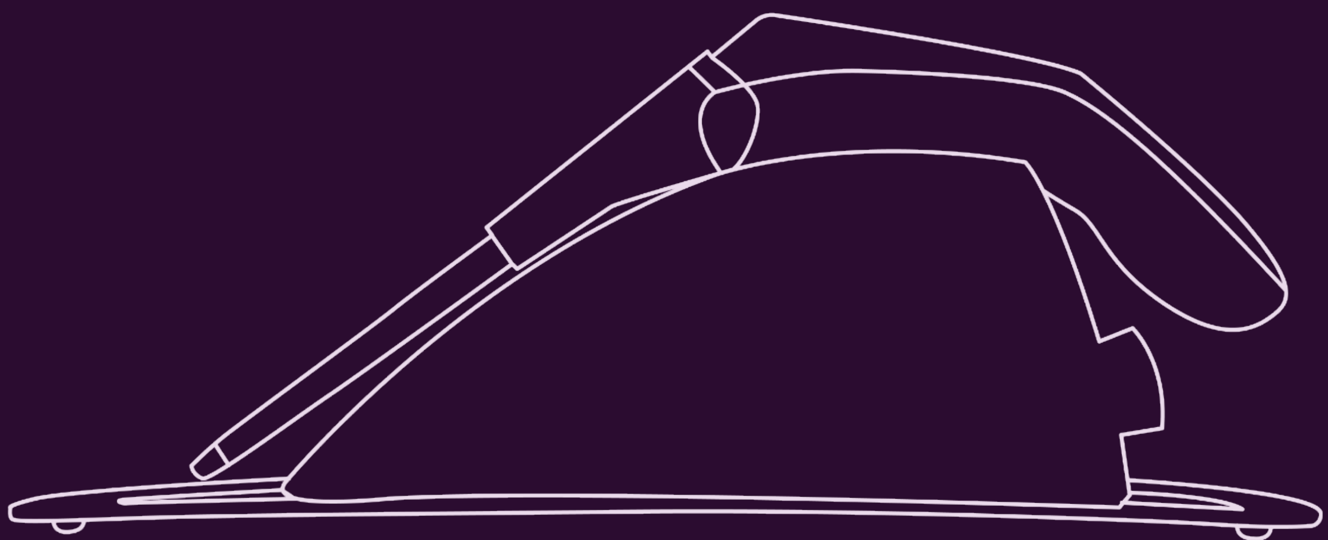

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Chairman's Letter

Dear fellow Shareholders,

TruScreen Group Limited has strengthened its business in a tough COVID-19 2021 financial year and is well positioned to capitalise on new markets and new business opportunities as markets recover.

TruScreen provides an opto-electrical, AI-enabled system, that is real time and low cost, for the detection of cancerous or pre-cancerous cells in cervical tissues. TruScreen's disruptive technology is non-invasive for women, providing objective results and fast cervical cancer screening, thus offering an efficient alternative to conventional methods requiring laboratory analysis.

In November 2020 the World Health Organisation (WHO) set out a strategy, approved by its member nations, for eliminating cervical cancer by 2050. The strategy includes screening 70% of women by the age of 35 and again by the age of 45. TruScreen is well positioned to play a key role in support of WHO achieving this objective.

China, our major market, made an early recovery from COVID-19 with total revenues growing 15% and Single Use Sensor (SUS) usage growing by circa 50% YOY, and the introduction of the TruScreen device in 28 new hospitals. Our project to transfer manufacturing of the TruScreen Cervical Cancer Screening device to China to supply the China market was largely completed during the year which will bring cost advantages and allow our distributor to compete for a broader base of China business.

In April 2020, we secured commercial use in Vietnam when its Ministry of Health approved TruScreen devices for use in Hanoi Obstetrics and Gynaecology Hospital.

While COVID-19 expectedly slowed our growth in some markets, as public health resources were diverted, TruScreen took the opportunity to further develop and enhance the TruScreen device and strengthen the technology team. The establishment of an electronic interface for Chinese hospital health systems and continued developments in delivering a more robust product should pay dividends in the future. It is expected that these research and development initiatives will continue into the year ahead.

TruScreen reorganised our presence in Central & Eastern Europe during the year and appointed two new distributors. They have made solid progress in achieving product registrations and engaging with local key opinion leaders. The appointment of a new distributor in Mexico and renewed activity in this market has also been pleasing.

The Company is also actively looking at opportunities to expand its medical products range to capitalise on the technical ability of our team and to provide our distributors with a broader access to market.

The Company appointed two new directors to its Board during the year, Ms Juliet Hull (currently also acting as CEO), who has more than 20 years' experience in Asia Pacific markets in healthcare sales, marketing and leadership, and Dr Dexter Cheung whose technical background in opto-electronics and expertise in medical device engineering is highly relevant to TruScreen where our cervical cancer screening technology harnesses optical and electrical signatures for screening results. The Board farewelled Prof. Ron Jones, Con Hickey, and Chris Lawrence who retired during the year.

I take this opportunity to thank our shareholders and new investors for their support of our over-subscribed capital raisings of $7.5 million during the year. This culminated in a successful dual listing on the ASX and an increase in our shareholder numbers by 120%. We are well positioned for success in the years ahead.

On behalf of the board, I thank our team for their dedication during the year. I also look forward to the ongoing support of our stakeholders, and commitment of my fellow directors and the TruScreen team as we strive for *a world without cervical cancer*.

Tony Ho
Chairman

Financial Results

NZ Dollars	FY 21	FY20	FY21/FY20
Sales	1,132,641	1,288,242	(12%)
Revenue	1,975,915	2,554,282	(23%)
Net Loss[1]	(3,490,010)	(5,196,721)	33%
Cash outflow from operating activities	(2,189,331)	(1,634,499)	(34%)
Cash and Cash Equivalents	5,255,074	1,024,153	413%

1 The 2020 financial year includes a one off non-cash impairment of intangible assets of $2,380,000 and a non-cash expense for share based payments in the amount of $306,000.

Directors and Management

Anthony Ho
Non-Executive Independent Chairman

Christopher Horn
Non-Executive Independent Director

Juliet Hull
Executive Director Interim Chief Executive Officer

Dr. Dexter Cheung
Non-Executive Independent Director

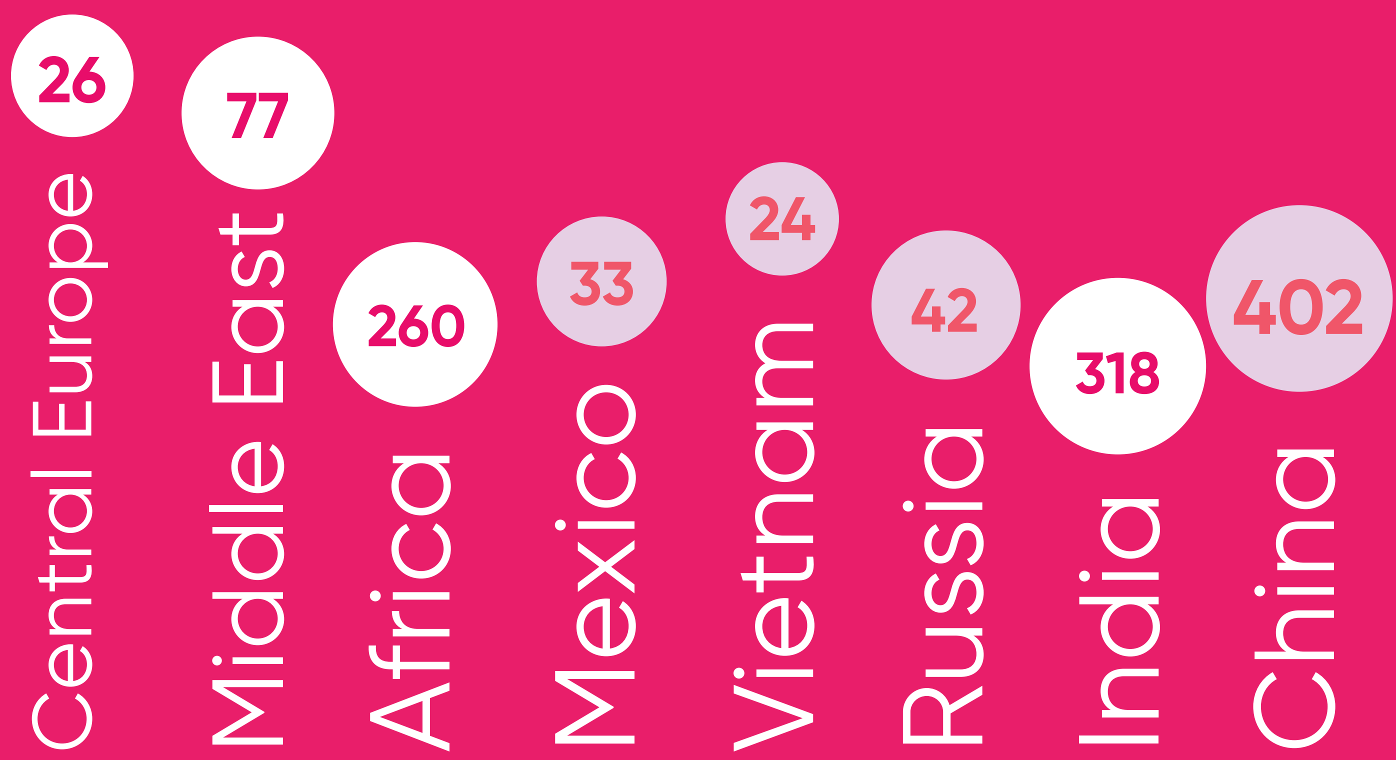
Edmond Capcelea
Chief Technology Officer

Guy Robertson
Chief Financial Officer

TruScreen's solution is ideal for LMICs

1bn+

Women eligible for screening in key markets



In millions

TruScreen's current markets

Targeting commercial roll-out

*Screening population data based on U.S Central Intelligence Agency (CIA) World Factbook, women aged 25-64.

Operations Report

Executive Summary

2021 Highlights

- First commercial sale to Vietnam following Ministry of Health approval
- Further market development in Central & Eastern Europe with 2 new distributors appointed in August 2020
- WHO Elimination Strategy of Cervical Cancer, approved by member nations and released for implementation in November 2020, sets a favourable macro environment
- Successfully dual listed on the Australian Securities Exchange (ASX) January 2021
- In January 2021 first clinical evaluation in the Middle East commenced
- Completed initial phase of establishing local manufacturing of TruScreen devices in China to qualify as a Chinese domestic product
- Strengthening of our Medical Affairs with the establishment of an International Experts Group (IEG), and a Central European (CE) Advisory Board
- Achieved 156 commercial installations as at 31 March 2021, including 81 installed devices in China
- Refreshed leadership with expertise in understanding and working with our diverse global distributors especially with our key China market

While product sales for 2021 were marginally lower (-12%) than the prior year, due to COVID-19 impacts, the business has been strengthened in terms of its distributor reach, capital base, the depth of its team, and the robustness of the TruScreen technology.

TruScreen successfully completed a share purchase plan and placement in May 2020 raising $5.24M. The Company then raised a further $2m on its dual listing on the ASX on 6 January 2021, with 375 new Australian shareholders joining our share register.

The funds raised throughout FY2021 will continue to be applied towards growing TruScreen's presence in the Chinese Market, developing our other global markets, and additional working capital.

China

COVID-19 significantly impacted China from November 2019 to March 2020. China was the first country to go into lockdown and the first to emerge. The region progressively came out of COVID-19 restrictions from April 2020. Notwithstanding pockets of COVID-19 infections during the 2021 financial year, our Chinese market consistently showed strong signs of growth and recovery.

Throughout 2021 TruScreen's distributor Beijing Siweixiangtai Technology Co. Ltd. (SWXT) focused on growing the region's commercial installation base. At the end of FY2021 China had 81 commercial users (this excludes users participating in clinical projects) (2020: 49), **+65%** Year on Year. There are currently over 100 hospitals in the sales pipeline for commercial installation throughout China.

The average monthly Single Use Sensor (SUS) pull-through per device climbed throughout the year. March 2021 saw the highest ever volume of SUS consumed by commercial users, with over 8,500 SUS used in TruScreen examinations throughout the region. The SUS pull-through per device is a key metric for measuring commercial acceptance of the TruScreen technology in any given region.

One of the major clinical projects for the region is the Chinese Obstetrics and Gynaecology Association (COGA) national clinical evaluation. The results from the second phase of the project, conducted in the Sichuan Province, were presented by the lead investigator at COGA's Annual Congress in September 2020. The Sichuan trial had 14 hospitals and 1,243 patients participating in the data collection. TruScreen's results from this phase were comparable to or better than the conventional screening methods, Human Papillomavirus DNA Test (HPV) and Liquid-based Cytology (LBC). TruScreen had a **Sensitivity of 86%** (HPV 94%, LBC 73%), **Specificity of 74%** (HPV 18%, LBC 53%), Positive Predictive Value 52% (HPV 27%, LBC 34%), and Negative Predictive Value 94% (HPV 89%, LBC 86%). These results confirm the initial Hunan Province results announced in 2019 and augur well for the COGA project.

As at year end a total of 77 hospitals in China are participating in the COGA evaluation. 74 of the 77 hospitals have completed data collection, with approximately 6,000 women screened to date. The evaluation is due to conclude in mid-2021, with the results expected to be announced in August 2021.

FY2021 saw more Chinese clinical data published in recognised national & international medical journals, further confirming TruScreen's efficacy in cervical cancer screening in China. One of the papers highlighted TruScreen's benefits and advantages over other screening methods in a COVID-19 pandemic environment[1].

During the year, in partnership with SWXT, TruScreen has worked to establish product manufacturing in Shenzhen, China, to secure Chinese domestic product registration. This project is well underway with commissioning of the facility expected in mid-2021. TruScreen devices becoming a Chinese domestic product will open significant market channels that are not available to imported foreign products. TruScreen will continue to manufacture devices in Australia for other markets.

1 FUTURE ONCOLOGYVOL. 17, NO. 10, Ziyao Wang et al, https://www.futuremedicine.com/doi/10.2217/fon-2020-0928 "TruScreen detection of cervical tissues for high-risk human papillomavirus-infected women during the COVID-19 pandemic".

Russia

TruScreen's Russian distribution partner, IntelMed Systems JSC. (IMS), focused their FY2021 efforts on large scale education programs. In May 2020 IMS launched a national education campaign on cervical cancer prevention, featuring TruScreen as the preferred primary screening method. This program trained 2,800 doctors in 18 cities around the country, boosting local acceptance of the TruScreen technology.

In late 2020 IMS education programs were upgraded to online masterclasses as Russia was significantly impacted by a COVID-19 second wave that shut down regional travel. By March 2021 regional travel restarted and IMS took steps to recommence the clinical and marketing activities delayed by COVID-19. Utilising the strong support from local Key Opinion Leaders (KOL) IMS are now preparing for several clinical evaluations, expected to begin during FY2022.

Europe

In early 2020 TruScreen rationalised its distribution network in Europe and appointed Dr Ivan Imre, based in Prague, Czech Republic, as Commercial Lead for Central & Eastern Europe (CEE). CEE presents a significant market opportunity for TruScreen with over 26M women of screening age residing in the region.

TruScreen partnered with 2 new distributors in FY2021 covering 7 countries in the region. With product registrations now received in 4 countries, we anticipate our first commercial and clinical sales for the region to commence in FY2022.

In March 2021 TruScreen held an inaugural Central European (CE) Advisory Board meeting with 4 of the region's Key Opinion Leaders. The CE Advisory Board will guide TruScreen and its local distributors in market access and clinical evaluations throughout Central & Eastern Europe.

Mexico

In August 2020 TruScreen appointed a new distributor in Mexico, Sunbird S.A. de C.V. (Sunbird). Since joining our distribution network Sunbird has focused on reactivating early acceptors of the TruScreen technology and transitioning generation 1 device users to the newest TruScreen model. In total 24 new and reactivated users came online over the last 6 months, showing great dedication from our distributor. We are working to re-establish a TruScreen service centre in Mexico to service the growing user base.

Saudi Arabia

In late January 2021, the Dr. Sulaiman Al Habib Medical Group (SHMG), Saudi Arabia's largest private healthcare provider, commenced its clinical evaluation of the TruScreen device. 3 of the 6 SHMG hospitals are participating, with over a third of the 600 TruScreen examinations completed by 31 March 2021.

The aim of the study is to have the TruScreen device recommended for cervical cancer screening in all SHMG hospitals. As reference hospitals, we expect that once the approval is received it will accelerate market access throughout the Middle East region.

Vietnam

In April 2020 TruScreen made its first commercial sale to Vietnam following approval from the Vietnam Ministry of Health (MOH). The MOH approval came after a successful 2019 clinical evaluation held at Hanoi Obstetrics and Gynaecology Hospital comparing the TruScreen screening device to conventional screening methods.

In May 2021, Vietnam MOH approved an additional 4 top tier hospitals in the south, paving the way for commercial use within these hospitals and throughout the southern provinces.

TruScreen's local distributor, Gorton Health Service Pty. Ltd., is working on a project proposal to screen 7,000 women in 20 hospitals, set to commence in late FY2022. This project would be the foundation for the lead investigator to complete a TruScreen-based cervical cancer screening guideline.

Medical Affairs

In November 2020, the World Health Organisation (WHO) released its global strategy to eliminate cervical cancer[2]. This strategy calls for member countries to re-think their current and conventional screening paradigms to meet the established global targets, setting a favourable macro environment for TruScreen as a disruptive technology.

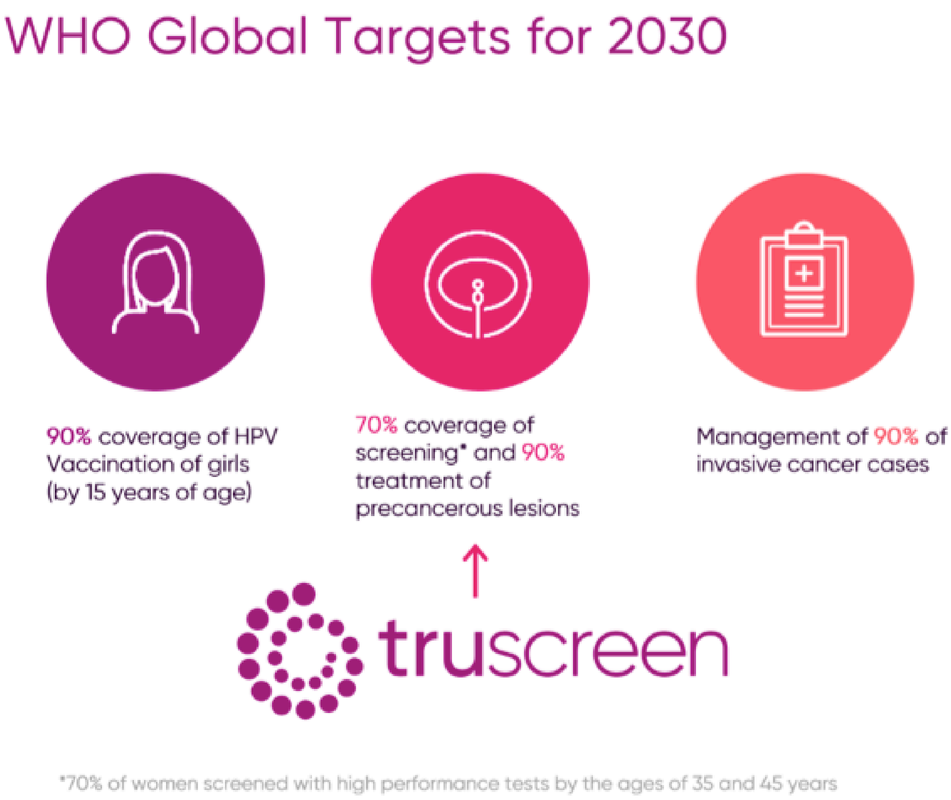
As a medical device company with an innovative technology, TruScreen is focused on Medical Affairs and Market Access at a global level. We further strengthened our commitment to medical affairs and compliance in FY2021 with a dedicated resource, Dr. Beata Edling. TruScreen's medical affairs strategy is focused on screening guidelines, data generation, training and education, and strategic NGO partnerships.

In addition to the formation of our CE Advisory Board, TruScreen also established an International Experts Group (IEG). The IEG consists of *Prof. Jonathan Berek of Stamford University, A/Prof. Chibuike Chigbu of Nigeria University, and Dr. Salim Munoz Barquet of Instituto Nacional de Cancerologia Mexico*. The IEG is an independent committee that will advise TruScreen on international practices of cervical cancer screening and management, registration and reimbursement for medical devices, clinical data collection, analysis, and publication, screening programs and funding, and NGO partnerships.

The IEG and CE Advisory Board will work in collaboration with our TruScreen Medical Advisory Committee of A/Prof. Michael Campion (chairman) and Prof. Neville Hacker.

We look forward to engaging with the teams of global experts to gain greater insights into the screening for cervical cancer around the world and to achieve greater collaboration in working towards implementation of the WHO strategy.

The World Health Organisation (WHO) has set a target to eliminate cervical cancer by the end of the century.



2 Global strategy to accelerate the elimination of cervical cancer as a public health problem. Geneva: World Health Organization; 2020. Licence: CC BY-NC-SA 3.0 IGO. https://www.who.int/publications/i/item/9789240014107

Strengthening our Research and Development capabilities

In June 2020, TruScreen appointed its new Chief Technology Officer (CTO), Edmond Capcelea. Since joining, Edmond has focused on strengthening our inhouse capabilities, expertise, and product support, driving the technology team's cost optimisation projects, and product research and development.

In FY2021 TruScreen released its upgraded online customer portal, enabling us to provide faster support for our customers and service centres, and have better management over product quality from production through to in-field use and routine servicing.

In FY2022 TruScreen's quality and regulatory team is working towards transitioning to the new European Medical Device Regulation (MDR) to ensure ongoing regulatory compliance.

Connecting with our global customer base

TruScreen demonstrated its ability to adapt throughout the COVID-19 pandemic. TruScreen's relationship with its distribution network remains a priority. The COVID-19 pandemic meant that we had to change the way we communicate and connect with our customers and the wider medical community. Previously TruScreen executives and the commercial team travelled to meet with distributors and Key Opinion Leaders. In 2020, the interactions were by video conferencing and technology. We held our first virtual Global Distributors Conference in December 2020, providing an opportunity for our distribution network to meet and share information. TruScreen and our partners have also continued to present TruScreen data at medical conferences throughout the year.

TruScreen migrated from in-person training to online training for TruScreen device operators and Head Trainers. We developed and rolled out an online training platform that can be utilised anywhere in the world to provide foundational training for our global users.

Board Renewal

During the year TruScreen welcomed two new directors to the Board, Juliet Hull, and Dr. Dexter Cheung.

Juliet elected to the Board in September 2020; has over 20 years' experience in Asia Pacific markets in healthcare sales, marketing, and leadership. Juliet was previously the General Manager and Country Director of Johnson & Johnson New Zealand. Juliet was subsequently appointed as interim CEO in March 2021.

Dexter was appointed as a Non-Executive Independent Director in March 2021; he is an experienced medical device engineer and specialises in product research and development. Dexter is the Research & Development Manager of Fisher & Paykel Healthcare, New Zealand.

Prof Ron Jones, Mr Chris Lawrence, and Mr Con Hickey retired from the Board during FY2021, we take this opportunity to thank them for their significant contributions to the Company.

Diversity

TruScreen is committed to ensuring all women of screening age, no matter who or where they are, have access to quality cervical cancer screening. We are driven to build better outcomes for women's health.

Our dedication to diversity and equality in the workplace sits hand in hand with this mission. We are an equal opportunities employer, committed to providing an inclusive, and respectful working environment.

In FY2021, the TruScreen team, including permanent contractors, was 40% female, with 50% of senior leadership positions held by women. One fourth (25%) of the Board of Directors are female.

TruScreen also has a diverse cultural workplace with directors and team members calling Australia and New Zealand home with countries of origin being Singapore, Philippines, Romania, Poland, Iraq, China, Hong Kong, Colombia, Siri Lanka, and South Africa. This cultural diversity enables Truscreen to interact successfully with its diverse global distributor network and customers.

Current Group Gender Composition

	Directors No.		Total Organisation No.		Permanent Contractor No.		Total Organisation %	
	2021	2020	2021	2020	2021	2020	2021	2020
Male	3	5	6	5	3	2	60.0%	70.6%
Female	1	0	3	2	4	3	40.0%	29.4%
Total	4	5	9	7	7	5	100.0%	100.0%

Outlook

In FY2021 TruScreen was adaptive and resilient, using the global pandemic interruptions to build strong foundations for a post-pandemic future. We focused our efforts on building acceptance in our key markets, adapting our approach to customer training and support, launching new research and development projects, and re-defining our medical affairs and market access priorities.

Our strategic plan is focused on reaching profitability and being cash flow positive, to enable us to reward our shareholders for supporting the Group, as early as possible. Successful implementation of our company strategy demands a leadership team that understands the unique requirements of our diverse key markets.

Continuous product improvement and innovation

Working in close partnership with our customers and TruScreen device operators around the world, we are committed to ongoing product research and development to ensure that the TruScreen technology remains best of breed and innovative in the changing landscape of cervical cancer screening.

We will also continue to seek opportunities to expand our available product portfolio.

Rapid expansion in China

China, our strongest market, is the cornerstone of our commercial strategy. We expect to see rapid expansion coming from the groundwork laid over the last few years.

With a strong sales pipeline, a growing commercial user base, and several key projects reaching finalisation we anticipate that the Chinese market will grow substantially over the next 12-24 months. As local production comes online, it will open new market opportunities for our technology further extending our current reach.

Continued traction in other key markets

TruScreen will capitalise on our strong distributor network, especially in Central & Eastern Europe. Although deeply impacted by the COVID-19 pandemic, as the region continues its immunisation efforts, we anticipate most of our key markets will move towards the reopening of their healthcare systems within the 2022 financial year.

In Russia, we expect to see substantial clinical evaluations that will pave the way for public and private screening programs. We are working towards the inclusion of TruScreen as a primary screening tool on the national cervical screening guidelines.

We will continue to seed and develop Central and Eastern Europe in FY2022. We look forward to steady growth, built on the distribution partnerships we have established, and the guidance of the CE Advisory Committee.

Juliet Hull - Chief Executive Officer

Directors' Report

Your directors submit the annual financial report of the consolidated entity consisting of Truscreen Group Limited (formerly Truscreen Limited) (the "Company") and the entities it controlled during the period (the "Group") for the financial year ended 31 March 2021. The directors report as follows:

Directors

The names of directors who held office during or since the end of the year and to the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Mr Anthony Ho	
Mr Christopher Horn	
Ms Juliet Hull	(appointed 10 September 2020)
Mr Dexter Cheung	(appointed 1 March 2021)
Mr Con Hickey	(resigned 10 September 2020)
Dr Ronald Jones	(resigned 1 April 2020)
Mr Christopher Lawrence	(resigned 1 March 2021)

Names, qualifications, experience, and special responsibilities

Mr Anthony Ho
Non-Executive Chairman and Chair of the Remuneration and Nomination Committee
Appointed 4 October 2018
Qualifications: B.Com, CA, FAICD, FCIS, FGIA

Mr Ho is an experienced company director having held executive directorships and chief financial officer roles with a number of ASX listed companies. Mr Ho was executive director of Arthur Yates & Co Limited, retiring from that position in April 2002. His corporate, general management and governance experience includes being chief financial officer/finance director of M.S. McLeod Holdings Limited, Galore Group Limited, the Edward H O'Brien group of companies.

Mr Ho is currently the chairman of ASX listed Greenland Minerals Limited (ASX:GGG), Bioxyne Limited (ASX: BXN), and Cannasouth Limited (NZX: CBD). He was previously chairman of Esperance Minerals Limited and Credit Intelligence Limited and a non-executive director Hastings Technology Metals Limited. Mr Ho was the past non-executive chairman of St. George Community Housing Limited (November 2002 to December 2009) where he successfully grew the NGO to be one of New South Wales leading community housing companies.

Prior to joining commerce, Mr Ho was a partner of Cox Johnston & Co, Chartered Accountants, which has since merged with Ernst & Young. Mr Ho holds a Bachelor of Commerce degree from the University of New South Wales and is a member of Chartered Accountants Australia and New Zealand, and a fellow of the Australian Institute of Company Directors, Institute of Chartered Secretaries and Administrators, and Governance Institute of Australia.

Mr Christopher Horn
Non-Executive Director and Chair of the Audit, Finance and Risk Committee
Appointed November 2013
Qualifications: B.Com FCA

Mr Horn 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.

Mr Horn is a Commerce graduate from the University of New South Wales and a Fellow of Chartered Accountants Australia and New Zealand.

Ms Juliet Hull
Executive Director (and current acting CEO) and member of the Remuneration and Nomination Committee
Appointed 10 September 2020
Qualifications: B.Nurse, MBA *MGSM*

Ms Hull was until January 2021 the NZ General Manager/ Country Director of Johnson & Johnson Medical (J & J), a director of the ANZ Johnson & Johnson Medical Executive Board, a director of MTANZ (Medical Technology Association of NZ) and a member of both the APAC Regional Leadership team for J & J's Orthopaedics and Ethicon Divisions.

Ms Hull is a senior executive with more than 20 years' experience in Asia Pacific markets in Healthcare sales, marketing and leadership. Ms Hull is currently acting as the interim CEO of TruScreen.

Ms Hull holds a Master of Business and Administration (Macquarie Graduate School of Management, Sydney, Australia) and Bachelor of Nursing (Auckland University of Technology), Auckland, New Zealand.

Dr Dexter Cheung
Non-Executive Director and member of the Risk, Finance and Audit Committee
Appointed 1 March 2021
Qualifications: B.Tech (Hons.), M.Eng (Hons), PhD

Dr. Cheung is an experienced medical device engineer and specialist in product research and development, with more than 20 years' experience. He is the Research & Development Manager of the respiratory humidification division of Fisher & Paykel Healthcare, an NZX/ASX listed healthcare company and a global leader in respiratory medical devices.

Dr. Cheung holds a first-class honours degree in Bachelor of Technology, a Master of Engineering (first class honours) degree and a Doctor of Philosophy (in physics) from his alma mater, University of Auckland.

Interests in the shares and options of the Company

The following relevant interests in shares and options of the Company or a related body corporate were held by the directors and key management personnel as at the date of this report. All shares are beneficially held.

Shares	Number of fully paid ordinary shares	Number of fully paid ordinary shares
Director	2021	2020
Anthony Ho	3,600,000	3,500,000
Christopher Horn	2,050,000	1,550,000
Juliet Hull[1]	-	-
Dexter Cheung[2]	-	-
Con Hickey[3]	-	-
Christopher Lawrence[4]	22,400,000	22,400,000

Options	Number of options	Number of options
Director	2021	2020
Anthony Ho	3,000,000	3,000,000
Christopher Horn	1,000,000	1,000,000
Juliet Hull[1]	-	-
Dexter Cheung[2]	-	-
Con Hickey[3]	1,000,000	1,000,000
Christopher Lawrence[4]	1,000,000	1,000,000
Ronald Jones[5]	1,000,000	1,000,000

[1] Appointed 10 September 2020
[2] Appointed 1 March 2021
[3] Resigned 10 September 2020
[4] Resigned 1 March 2021
[5] Resigned 1 April 2020

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Indemnification and insurance of Directors and Officers

The consolidated entity has agreed to indemnify all the directors of the consolidated entity for any liabilities to another person (other than the consolidated entity or related body corporate) that may arise from their position as directors of the consolidated entity, except where the liability arises out of conduct involving a lack of good faith.

Remuneration report

This report outlines the remuneration arrangements in place for key management personnel of Truscreen Group Limited for the financial year ended 31 March 2021.

Remuneration philosophy

The performance of the company depends upon the quality of the directors and executives. The philosophy of the company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Group is responsible for determining and reviewing compensation arrangements for the directors and the senior management team.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Remuneration structure

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

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The NZX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The latest determination was at the Annual General Meeting held on 27 August 2019 when shareholders approved an aggregate remuneration of up to $300,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company.

The remuneration of non-executive directors for the period ended 31 March 2021 is detailed in the remuneration of directors and named executives section of this report on page 17.

Remuneration of key management and personnel

Senior manager and executive director remuneration

Remuneration consists of fixed remuneration, there are no performance incentives at this time. In addition to Company employees and directors, the Company may contract key consultants on a contractual basis. These contracts stipulate the remuneration to be paid to the consultants.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary. Fixed remuneration is paid in the form of cash payments.

The fixed remuneration component of the key management personnel is detailed in the tables below.

Key management personnel remuneration for the year ended 31 March 2021

	Short-term employee benefits	Post-employment benefits		
	Salary, fees & termination benefits $	Superannuation $	Share based Payments $	Total $
	2021	2021	2021	2021
Anthony Ho	80,833	-	-	80,833
Christopher Horn	50,833	-	-	50,833
Juliet Hull	36,904	-	-	36,904
Dexter Cheung	4,167	-	-	4,167
Edmond Capcelea	174,443	16,572	-	191,015
Guy Robertson	103,451	-	-	103,451
Christopher Lawrence	36,667	-	-	36,667
Con Hickey	17,879	-	-	17,879
Victoria Potarina*	535,197	23,049	-	558,246
	1,040,374	39,621	-	1,079,995

* Includes termination payment of $257,042.

Key management personnel remuneration for the year ended 31 March 2020

	Short-term employee benefits	Post-employment benefits		
	Salary & Fees $	Superannuation $	Share based Payments $	Total $
	2020	2020	2020	2020
Anthony Ho	110,000	-	68,000	178,000
Christopher Horn	50,000	-	34,000	84,000
Christopher Lawrence	40,000	-	34,000	74,000
Con Hickey	40,000	-	34,000	74,000
Victoria Potarina	24,569	1,843	-	26,412
Guy Robertson	88,449	-	17,000	105,449
Martin Dillon	203,771	15,416	34,000	253,187
Ronald Jones	40,000	-	34,000	74,000
Robert Hunter	23,333	-	34,000	57,333
	620,122	17,259	289,000	926,381

Options held by Directors and Key Management Personnel

8,500,000 options were issued to directors and key management personnel in the previous year. The options have an exercise price of 15 cents and an expiry date of 27 August 2022. As the options have fully vested the total valuation amount determined by the Black & Scholes model has been expensed in the previous year.

Employees Remuneration

Four employees of the Group, not being directors, during the period ended 31 March 2021, 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
$110,000 to $120,000	1
$160,000 to $170,000	1
$170,000 to $180,000	1
$190,000 to $200,000	1
$450,000 to $460,000	1

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

	Director Meetings		Audit Committee		Remuneration Committee	
Director	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Mr Anthony Ho	12	12	-	-	1	1
Mr Christopher Horn	12	12	2	2	1	1
Ms Juliet Hull	7	7	1	1	-	-
Mr Dexter Cheung	2	2	-	-	-	-
Prof. Ron Jones	-	-	-	-	-	-
Mr Christopher Lawrence	11	11	-	-	-	-
Mr. Con Hickey	5	5	1	1	-	-

In addition, four circular resolutions were signed by the board during the period.

Remuneration of Auditors

Auditor's remuneration – RSM Hayes Audit	2021	2020
Fees for the audit of the financial statements	$92,547	$80,000
Other assurance services provided by the auditors*	$10,710	-

* Other services relate to a limited assurance report provided by RSM Corporate Australia Pty Ltd, in connection with Truscreen Group Limited's ASX Listing.

End of Directors' Report.

On behalf of the Board as at 29 June 2021

Anthony Ho – Chairman

Christopher Horn – Director

Financial Statements & Auditor's Report

for the year ended 31 March 2021

TRUSCREEN GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 March 2021

	Note	2021 $	2020 $
Revenue from the sale of goods	6	1,132,641	1,288,242
Other income	6	843,274	1,266,040
Cost of product sales		(732,603)	772,020
Employee benefit expenses and directors' fees	7	(1,180,425)	(1,308,222)
Administration		(403,638)	(494,438)
Research and development expenses		(1,288,197)	(1,137,389)
Rent		(40,876)	(47,225)
Travel		(4,192)	(77,777)
Marketing & product approvals		(618,281)	(430,656)
Insurance		(85,196)	(87,410)
Shareholder relations & services		(295,163)	(148,115)
Foreign exchange (loss)/gain		(136,200)	108,038
Amortisation & depreciation	7	(646,598)	(597,830)
Impairment of non-current assets	14	-	(2,380,000)
Finance costs		(34,556)	(71,959)
Share based payments	20	-	(306,000)
Loss before income tax		(3,490,010)	(5,196,721)
Income tax expense	8	-	-
Loss for the period		(3,490,010)	(5,196,721)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign subsidiary operations		500,136	(259,903)
Other comprehensive income/(loss) for the period		500,136	(259,903)
Total comprehensive loss for the period		(2,989,874)	(5,456,624)
Basic and diluted loss per share (cents)	19	(1.08)	(2.32)

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and cash equivalents	9	5,255,074	1,024,153
Other receivables	10	558,485	684,250
Loan receivable	10	-	75,000
Trade receivables	10	-	107,018
Goods and services tax recoverable		44,233	17,510
Inventories	11	732,574	503,768
Other current assets – prepayments		105,931	136,442
TOTAL CURRENT ASSETS		6,696,297	2,548,141
NON-CURRENT ASSETS			
Plant and equipment	13	307,092	295,048
Intangible assets	14	5,001,302	5,230,821
TOTAL NON-CURRENT ASSETS		5,308,394	5,525,869
TOTAL ASSETS		12,004,691	8,074,010
CURRENT LIABILITIES			
Trade and other payables	15	452,494	293,141
Borrowings	16	-	410,280
Provision for employee benefits	17	205,373	83,149
TOTAL CURRENT LIABILITIES		657,867	786,570
NON-CURRENT LIABILITIES			
Provision for employee benefits	17	37,633	46,373
TOTAL NON-CURRENT LIABILITIES		37,633	46,373
TOTAL LIABILITIES		695,500	832,943
NET ASSETS		11,309,191	7,241,067
EQUITY			
Issued capital	18	34,550,048	27,492,050
Share option reserve	18	306,000	306,000
Foreign currency translation reserve	21	(214,563)	(714,699)
Accumulated losses		(23,332,294)	(19,842,284)
Total Equity		11,309,191	7,241,067

On behalf of the Board as at 29 June 2021

Anthony Ho – Chairman **Christopher Horn – Director**

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2021

	Note	Share Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 April 2020		27,492,050	(19,842,284)	(714,699)	306,000	7,241,067
Loss for the year to 31 March 2021		-	(3,490,010)	-	-	(3,490,010)
Exchange differences on translating foreign subsidiary operations	21	-	-	500,136	-	500,136
Total comprehensive income for the year		-	(3,490,010)	500,136	-	(2,989,874)
Transactions with owners, in their capacity as owners						
Issue of shares	18	7,489,968	-	-	-	7,489,968
Share issue cost	18	(431,970)	-	-	-	(431,970)
Total transactions with owners		7,057,998	-		-	7,057,998
Balance at 31 March 2021		34,550,048	(23,332,294)	(214,563)	306,000	11,309,191

	Note	Share Capital $	Accumulated Losses $	Foreign Currency Translation Reserve $	Option Reserve $	Total $
Balance at 1 April 2019		26,421,168	(14,645,563)	(454,796)	-	11,320,809
Loss for the year to 31 March 2020		-	(5,196,721)	-	-	(5,196,721)
Exchange differences on translating foreign subsidiary operations	21	-	-	(259,903)	-	(259,903)
Total comprehensive income for the year		-	(5,196,721)	(259,903)	-	(5,456,624)
Transactions with owners, in their capacity as owners						
Issue of shares	18	1,131,800	-	-	-	1,131,800
Share issue cost	18	(60,918)	-	-	-	(60,918)
Share based payments	20	-	-	-	306,000	306,000
Total transactions with owners		1,070,882	-	-	306,000	1,376,882
Balance at 31 March 2020		27,492,050	(19,842,284)	(714,699)	306,000	7,241,067

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2021

	Note	2021 $	2020 $
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from customers		1,242,595	1,309,080
Cash paid to suppliers and employees including GST		4,282,506	(4,415,470)
Cash received from research and development tax offset	1(f)	689,167	1,645,985
Government subsidies		268,717	-
Short-term lease payments not included in lease liability		(73,978)	(111,002)
Interest paid		(35,146)	(71,959)
Interest received		1,820	8,867
Net cash to operating activities	22	(2,189,331)	(1,634,499)
CASH FLOW TO INVESTING ACTIVITIES			
Purchase of plant and equipment		(97,524)	-
Net cash to investing activities		(97,524)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	18	7,489,968	1,131,800
Share issue costs		(431,970)	(60,918)
Repayment of borrowings		(410,280)	(626,501)
Proceeds from borrowings	16	-	410,280
Net cash from financing activities		6,647,718	854,661
Net increase/(decrease) in cash and cash equivalents		4,360,863	(779,838)
Cash and cash equivalents at the beginning of the financial year		1,024,153	1,737,775
Effects of exchange rate changes on cash and cash equivalents		(129,942)	66,216
Cash and cash equivalents at the end of the financial year	9	5,255,074	1,024,153

The accompanying notes form part of these financial statements.

TRUSCREEN GROUP LIMITED

Notes to the Financial Statements

for the year ended 31 March 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

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

The parent company, Truscreen Group 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 and on the ASX as an ASX Foreign Exempt Listing. 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 29 June 2021 by the Directors of the company.

Basis of Preparation

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

For the purpose of complying with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") the Group is a Tier 1 for-profit entity. These financial statements comply with NZ GAAP, the New Zealand equivalent to International Financial Reporting Standards ("NZ IFRS"), and International Financial Reporting Standards ("IFRS").

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

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

The financial statements 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.

As disclosed in the financial statements, the Group reports;

- a loss of $3,490,010 (2020: $5,196,721), however this is after the depreciation, and amortisation of non-current assets of $646,598 (2020: $2,977,830 including impairment).
- net cash outflows from operating and investing activities of $2,189,331 (2020: $1,634,499)
- cash at year end of $5,255,074 (2020: $1,024,153)

The Directors have undertaken a detailed cash flow forecast for the twelve months following the date of approval of report, which shows that the business will be able to meet its debts as and when they fall due.

In addition, the Board consider the cash flow forecasts to be achievable and capital raised during the 2021 year will to have provided sufficient cash reserves to cover any operating deficit and capital expenditure. The Board consider managing cash flow and working capital critical in successfully executing the strategies to achieve the business model of the Group.

b. Principles of Consolidation

Truscreen Pty Limited is the wholly owned subsidiary of Truscreen Group Limited which was specifically incorporated for the purposes of acquiring the Truscreen Pty Limited business (the "Transaction"). Truscreen Group 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 Group 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 which occurred in 2014.

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 Group 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 Group Limited.

As such, the consolidated financial statements are issued in the name of the legal Parent, Truscreen Group 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.

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 Group 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 Group 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.

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 reporting date of the Statement of Financial Position. Income and expenses are translated using the rate approximating the date of the transaction. All differences arising from the translation of foreign operations are recognised in the foreign currency translation reserve through other comprehensive income. Exchange difference on monetary items forming part of the net investment in foreign operations are recognised through other comprehensive income.

e. Revenue Recognition

The Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are dispatched from the Group's warehouse. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the group no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question. In limited circumstances the Group will offer credit.

The Group provides warranties on products sold which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with NZ IFRS 15, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them.

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

Revenue is derived from device sales and consumable single use sensors in the geographic regions outlined in Note 6.

f. Other Income

The Research and Development tax offset 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.

Government subsidies policy: Other government grants received from the Australian Government (comprising Jobkeeper and Cash Flow boost payments, as a result of the COVID-19 pandemic response) are recognised in the profit and loss when the right to receive government assistance has occurred.

g. 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.

h. 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 on a first-in-first out (FIFO) basis.

i. 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.

j. 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.

k. Financial Instruments

Financial assets
The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group 's accounting policy for each category is as follows:

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current trade receivables are recognised based on an individual analysis of the collectability of each account. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administration costs in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from loans to related parties are recognised following a review of each receivable every six months.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit) as part of the impairment expense.

The Group's financial assets measured at amortised cost comprise trade receivables, cash and cash equivalents and related party loans in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities
The Company/Group classifies all financial liabilities as measured at amortised cost based on the purpose for which the liability was acquired. The Company/Group's accounting policy is as follows:

Other financial liabilities
Other financial liabilities include the following items:

Trade payables and borrowings, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

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:

- Office Equipment - 16.67% and 50% diminishing value; and
- Manufacturing Plant – 20% 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.

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 and is a non-cash expense. 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 of the Group is stated at cost less any impairment losses and are amortised on a straight-line basis over the estimated economic life of 10 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.

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 wholly 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 has operated in the past a share-based incentive plan under which the entity receives services from employees and consultants 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 over the vesting period.

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.

NOTE 2. ADOPTION OF NEW AND REVISED STANDARDS

No standards on currently issue that are yet to be adopted are expected to significantly impact the presentation, measurement or recognition of reportable items relevant to the Group.

NOTE 3. SIGNIFICANT 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"
- ***Revenue from Contracts with Customers***
  The application of NZ IFRS 15: Revenue from contracts with customers (NZ IFRS 15) requires the Directors to apply judgement in determining whether revenue can be recognised in advance of the receipt of cash.

The significant judgements adopted by the Group in applying NZ IFRS 15 criteria include:

- Determining if a contract with the customer exists;
- Determining if the entity can identify the payment terms for the services; and
- Determining whether it is probable that the entity will collect the consideration to which it is entitled.
- ***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 14 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.

- *Estimate of the Research and Development tax offset*
  The Group receives a research and development tax offset based on 43.5% of research and development expenditure incurred. The amount is received following filing of the Group income tax returns. The Group estimates the amount of the offset assisted by external consultants, accounting for the amount as a receivable at year end.

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 totals for each category of financial instrument are as follows:

Financial instruments by category	Note	2021 $	2020 $
Financial assets (held at amortised cost)			
Cash and cash equivalents	9	5,255,074	1,024,153
Trade and other receivables			
Loan receivable	10	-	75,000
Trade receivables subject to credit risk	10	-	107,018
Total trade and other receivables		-	182,018
Total financial assets at amortised cost		5,255,074	1,206,171
Financial liabilities (held at amortised cost)			
Trade and other payables	15	452,494	293,142
Borrowings	16	-	410,280
Total financial liabilities at amortised cost		452,494	703,422

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, but principally Australian and United States Dollars. 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	
	2021 $	2020 $	2021 $	2020 $
USD	478,479	405,577	-	-
GBP	26,528	24,506	-	-

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase or decrease in NZD against the relevant foreign currencies. 10% represents management's assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where NZD weakens 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 negative.

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

	2021 $	2020 $
USD	47,848	40,558
GBP	2,653	2,451

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 minimise 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:

- 0.10% of NZ$1,060,384 (2020: 0.55% of NZ$511,544) on cash held in AUD.
- Nil% of NZ$3,689,139 (2020: Nil% of NZ$176,206) on cash held in NZD.
- 0.50% of NZ$26,528 (2020: 0.50% of NZ$24,506) on cash held in GBP.
- Nil of NZ$478,479 (2020: Nil of NZ$309,878) on cash held in USD.

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

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

Cash at bank	Note	2021 $	2020 $
S&P short term rating A-1+		5,228,002	997,727
S&P short term rating A-1		26,528	24,506
	9	5,254,530	1,022,233

Details of the exposure to credit quality of receivables, the age of receivables that are past due and any impairment are disclosed in Note 10 to the financial statements.

In relation to customer credit risk the Company will deal with established distributors, government or aid agencies sponsored by government.

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 receivable balances are monitored on an ongoing basis and overdue accounts are followed up rigorously.

The maximum exposure to credit risk from trade receivables subject to credit risk as at 31 March 2021 amounted to $Nil (2020: $161,759) refer to Note 10.

Minimal credit risk arises from the other receivable – research and development grant being due from the Australian Government.

Liquidity risk

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

Financial Liabilities	Carrying amount	Total contractual cash flows	Not later than three months	Later than 3 months and not later than 1 year
Group 2021	$	$	$	$
Trade and other payables	452,494	452,494	452,494	-
Borrowings	-	-	-	-

Financial Liabilities	Carrying amount	Total contractual cash flows	Not later than three months	Later than 3 months and not later than 1 year
Group 2020	$	$	$	$
Trade and other payables	293,142	293,142	293,142	-
Borrowings	410,280	441,051	15,386	425,665

The Company and Group manage liquidity risk by undertaking a rolling twelve month cash flow forecast monthly, and holding adequate 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.
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 device. The device 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:

	2021 $	2020 $
Information about products and services		
Total Revenues from external customers	1,132,641	1,288,242
Information about geographical areas		
Foreign country:		
Mexico	56,298	140,425
China	884,076	766,755
Russia	59,373	5,236
Vietnam	123,492	-
Zimbabwe	4,835	274,436
Others	4,567	101,390
	1,132,641	1,288,242

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

	Note	2021 $	2020 $
Non-current assets other than financial assets by country in which the entity holds those assets			
Foreign country – Australia			
Plant and equipment	13	307,092	295,048
Intangible assets	14	5,001,303	5,230,821
Total non-current non-financial assets		5,308,395	5,525,869

The following customers contributed more than 10% of the Group's revenue for the year ended 31 March 2021 and or 31 March 2020:

	2021		2020	
Domicile of Customer	$	%	$	%
China	884,076	78	766,755	60
Vietnam	123,492	11	-	-
Zimbabwe	-	-	274,436	22
Mexico	-	-	140,425	11

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

NOTE 6. REVENUE

	2021 $	2020 $
Sales revenue - sale of goods[1]		
Wholesalers/distributors	1,127,350	1,013,806
Direct to end customer[2]	5,291	274,436
	1,132,641	1,288,242
Other income		
Research and development tax offset[3]		
- Current year	549,109	684,250
- Prior year adjustment	23,628	572,923
	572,737	1,257,173
Interest received	1,820	8,867
Government subsidies	268,717	-
	843,274	1,266,040

[1] For a geographical breakdown of revenues see Note 5. Ownership of goods generally transfers to the distributor/customer on leaving TruScreen's premises or that of the outsourced manufacturer when shipped directly to customers.

[2] The 2020 revenue related to goods shipped in 2019 where the revenue was previously not recognised, due to the customer being in Zimbabwe where political unrest resulted in short term difficulties in remitting foreign exchange.

[3] For further detail with regard to the research and development tax offset, refer to note 1(f).

NOTE 7. EXPENSES

	Note	2021 $	2020 $
Loss before income tax includes the following specific expenses:			
Employee benefits expense			
Wages and salaries		750,372	878,758
Staff superannuation – defined contribution plan		56,160	82,769
Provision for annual leave		7,904	16,008
Provision for long service leave		(11,421)	(4,437)
Directors fees	26	214,544	303,333
Other employee related		162,866	31,791
		1,180,425	1,308,222
Administration and other operating expenses include:			
Audit fees			
Under-provision in 2019 – BDO Auckland		-	25,767
Fees for audit of financial statements for the year ended 31 March – RSM Hayes Audit		92,547	80,000
Other services provide by the auditors*		10,710	-
Total remuneration of auditors		102,357	105,767

* Other services related to a limited assurance report provided by RSM Corporate Australia Pty Limited in connection with Truscreen Group Limited's ASX Listing.

	Note	2021 $	2020 $
Amortisation of intangible assets	14	544,565	517,527
Depreciation of plant and equipment	13	102,033	80,303
Total amortisation & depreciation		646,598	597,830

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

	2021 $	2020 $
Loss for the year	(3,490,010)	(5,196,721)
Prima facie income tax saving using the applicable country's tax rate 28% (2020 :28%)	977,201	1,455,082
Impact of variation in foreign tax rates (27.50% for Aus.; 19% for UK) (2020 : 27.50% for Aus.; 19% for UK)	(18,431)	(25,032)
Expenses not deductible for tax in the current period:	(242,492)	(263,370)
Losses not recognised as a deferred tax asset	(716,278)	(1,166,680)
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.

	2021 $	2020 $
Deductible/(non-deductible) temporary difference:		
Foreign exchange losses	(83,027)	602,029
Other timing differences	267,605	288,460
	184,578	890,489
Unused tax losses	11,591,500	10,978,534
Total	11,776,078	11,869,023

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. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash on hand	545	1,920
Cash at bank	5,254,529	1,022,233
	5,255,074	1,024,153

Cash at bank is earning interest at a floating rate at the reporting date it ranged from 0% to 0.10% (2020: 0% to 0.55%). Cash at bank is at call.

NOTE 10. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
CURRENT		
Research and development tax offset	558,485	834,250
Loan receivable	-	75,000
	558,485	909,250
Trade receivables subject to credit risk	-	161,759
Less provision for uncollectible amounts	-	(54,741)
	-	107,018
	558,485	1,016,268

No interest is charged on trade receivables. Refer to Note 6 regarding income from the research and development tax offset.

The Group normally requires cash on delivery. In exceptional circumstances the Company has extended credit.

The aging analysis of trade receivables past due is as follows:

Consolidated

Group

	Days Overdue				
2021	1 – 60 days	90 – 180 days	Over 180 days	**Total past due**	Within terms
	$	$	$	$	$
Trade receivables subject to credit risk (prior to provision)	-	-	-	-	-
Loan receivable	-	-	-	-	-
	-	-	-	-	-

2020	1 – 60 days	90 – 180 days	Over 180 days	**Total past due**	Within terms
	$	$	$	$	$
Trade receivables subject to credit risk (prior to provision)	-	-	161,759	161,759	-
Loan receivable	-	-	-	-	75,000
	-	-	161,759	161,759	75,000

As of 31 March 2020, a provision for $54,741 were considered impaired and provided for.

No collateral is held over trade receivables.

NOTE 11. INVENTORIES

	2021 $	2020 $
Finished goods at cost	275,530	164,373
Work in progress	457,044	339,395
	732,574	503,768

NOTE 12. INTERESTS IN SUBSIDIARIES

Subsidiaries are:

Name of Subsidiary	Principal Place of Business	Ownership Interest held by the group	
		2021	2020
Truscreen Pty Limited	Australia	100%	100%
Truscreen Ltd (UK)	UK	100%	100%
TruScreen S. de R.L. de C.V.	Mexico	100%	100%

Principal Activities

Truscreen Pty Limited owns the rights to the TruScreen Cervical Cancer Screening Device. The device 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 2021 TruScreen Ltd (UK) made no sales.

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

NOTE 13. PLANT AND EQUIPMENT

	Note	2021 $	2020 $
Plant and equipment at cost		545,560	421,876
Accumulated depreciation		(238,468)	(126,828)
		307,092	295,048
Movements in the carrying amount of plant and equipment are as follows:			
Opening net book value		295,048	367,993
Additions		97,524	-
Depreciation charge	7	(102,033)	(80,303)
Foreign currency reserve movement		16,553	(4,642)
Closing net book value		307,092	295,048

NOTE 14. INTANGIBLE ASSETS

	Note	Intellectual Property $	Development cost $	Total $
Cost				
Opening balance as at 31 March 2019		**7,454,306**	**2,799,137**	**10,253,443**
Net exchange differences arising on the translation of the financial statements into the presentation currency		(140,567)	(55,525)	(196,092)
Balance as at 31 March 2020		**7,313,739**	**2,743,612**	**10,057,351**
Net exchange differences arising on the translation of the financial statements into the presentation currency		453,499	170,122	623,621
Balance as at 31 March 2021		**7,767,238**	**2,913,734**	**10,680,972**
Accumulated Amortisation				
Balance as at 31 March 2019		**(1,569,776)**	**(422,604)**	**(1,992,380)**
Amortisation recognised during the period		(376,704)	(140,823)	(517,527)
Net exchange differences arising on the translation of the financial statements into the presentation currency		48,670	14,707	63,377
Balance as at 31 March 2020		**(1,897,810)**	**(548,720)**	**(2,446,530)**
Amortisation recognised during the period	7	(385,364)	(159,201)	(544,565)
Net exchange differences arising on the translation of the financial statements into the presentation currency		(124,257)	(36,743)	(161,000)
Balance 31 March 2021		**(2,407,431)**	**(744,664)**	**(3,152,095)**
Impairment				
Balance impairment 31 March 2020		**(1,693,629)**	**(686,371)**	**(2,380,000)**
Net exchange differences arising on the translation of the financial statements into the presentation currency		**(105,016)**	**(42,559)**	**(147,575)**
Balance impairment 31 March 2021		**(1,798,645)**	**(728,930)**	**(2,527,575)**
Carrying amounts				
Balance as at 31 March 2019		**5,884,530**	**2,376,533**	**8,261,063**
Balance as at 31 March 2020		**3,722,300**	**1,508,521**	**5,230,821**
Balance as at 31 March 2021		**3,561,162**	**1,440,140**	**5,001,302**

Intellectual property acquired is carried at cost less accumulated amortisation and impairment losses.

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 9 years useful life remained on in use intangible intellectual property assets.

Development costs consist mainly of costs incurred to produce a second generation TruScreen device. The new console was available for use on 1 April 2016. Amortisation commenced from that date. At reporting date 10 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 Impairment ('IAS 36') and its detailed specifications with the assistance of an independent consultant.

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 the development and commercialisation phase are inherently uncertain and subject to a number of risks.

In particular the Directors have assessed the risk of not meeting the projected device sales and roll out in China and other countries as a result of COVID-19 pandemic. These risks have been taken into account in determining the budget for 2022 and the impact on sales revenue in subsequent years.

The projections relate to the markets in which TruScreen is in the process of establishing its business: principally China, Russia, and eastern Europe. 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.

- The Directors have adopted the DFCF 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 given the uncertainties disclosed above and the net cashflow generated are discounted to present values.

Key Inputs and Variables

- Cash flow projections over a 5 year period;

- Terminal growth rate of 2% (2020: 2%), based on long term economic growth prospects;

- The year 2022 is based on budget with revenue being discounted to reflect the ongoing impact of COVID-19 through to the end of calendar 2021. Revenue for 2023 has been estimated by careful review of each market with growth in subsequent years growing at the rate of between 17% and 35% per annum for devices, and SUS growth based on average monthly usage for devices in use at the start of each year plus 50% of devices sold in the year.

- A range of WACC rates was estimated between 20% to 25% to account for time value of money and associated risks. This is based on current market rates adjusted for business and specific risks. In the final determination a post tax rate of 22.5% (27.3% pre tax) was used.

DFCF Approach Result

- Having applied the above inputs and variables, the Directors have estimated the value in use of the TruScreen CGU at $6.0m (2020: $6.4m). The carrying value of the CGU is $6.0m (2020: $6.4m), including the carrying value of the Intangible Assets of $5.0m (2020: $5.23m).

- There is no impairment adjustment required in the current year.

- 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 (including accessibility of markets), commercial factors, regulations etc. and could have a material impact on the estimated value in use. Should the forecast cash flows and underlying assumptions of the Group not be achieved, actual cash flows would vary from those forecasted resulting in the potential further impairment of the Intangible Assets.

Sensitivity Analysis
The following outlines the sensitivity of the carrying amount to changes in key assumptions applied, with all other items held constant:

	$
Revenue assumption for 2022 to 2026 Financial Year	**Impairment/ (reversal)**
Reduced by 5%	1,225,000
Increased by 5%	(1,225,000)
In Use Device growth rate assumption for 2023-2026	
Reduced by 5%	981,000
Increased by 5%	(981,000)
Post tax discount rate assumption	
Increased by 2.5%	1,500,000
Decreased by 2.5%	(2,000,000)

Review Conclusion

- The Directors have carefully considered various sensitivities and conclude that no further impairment or reversal is required at the current time.

- The carrying value of intangibles at 31 March 2021 is $5.00m (2020: $5.23m).

NOTE 15. TRADE & OTHER PAYABLES

	2021 $	2020 $
CURRENT		
Other payables and accruals	452,494	293,142

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

NOTE 16. BORROWINGS

	2021 $	2020 $
CURRENT		
Borrowings	-	410,280

Borrowings in 2020 relate to the funding of a research and development claim. The claim was received and the loan repaid during the year.

NOTE 17. EMPLOYEE LIABILITIES

	2021 $	2020 $
CURRENT		
Employee liabilities	205,273	83,149
NON-CURRENT		
Employee liabilities	37,633	46,373
	243,006	129,522

The current portion of employee liabilities represents accrued annual leave entitlements of employees $96,343 and termination payment due of $108,930. 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 18. ISSUED CAPITAL

a) Ordinary Shares

Group	2021 Number	2021 $	2020 Number	2020 $
Balance at beginning of the year of fully paid ordinary shares	227,534,804	27,492,050	216,857,441	26,421,168
Ordinary shares issued				
Share issue May 2020 @ $0.05 per share[i]	104,860,021	5,242,968	-	-
Share issue December 2020 @ $0.07 per share[ii]	28,571,428	2,000,000	-	-
Exercise of options[iii]	1,900,000	247,000	-	-
Shares issued via private placement[bi]	-	-	10,677,363	1,131,800
Share issue costs	-	(431,970)	-	(60,918)
Balance at 31 March	362,866,253	34,550,048	227,534,804	27,492,050

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. the issue of 104,860,021 new shares at $0.05 per share raising $5.243m. The shares were issued pursuant to a Share Purchase Plan, 40,000,000, and a share Placement Plan 64,860,021.

ii. the issue of 28,571,428 new shares via a placement and dual listing on the ASX, raising NZ$2.0 million at NZ$0.07 per share (A$0.065).

iii. the issue of 1,900,000 new shares on exercise of options at NZ$0.13 per share.

b. prior period:

i. via a share placement to professional and sophisticated investors (10,677,363 ordinary shares at 10.6 cents each)

b) Share Options

Group	2021 Number	2021 $	Weighted Average Exercise Price	2020 Number	2020 $	Weighted Average Exercise Price
Balance at beginning of the year	**19,677,363**	**306,000**	13.9c	-	-	-
Options issued[1]	-	-	-	**10,677,363**	-	13c
Options issued[2]	-	-	-	**9,000,000**	**306,000**	15c
Options exercised	**(1,900,000)**	-	13.0c	-	-	-
Balance at end of year	**17,777,363**	**306,000**	14.0c	**19,677,363**	**306,000**	13.9c

[1]Options issued on 12 July 2019 and 3 September 2019 as free attaching options on the basis of one option per new share with exercise price of 13 cents per share and expiry date 12 July 2021.

[2]As approved by shareholders on 27 August 2019, options issued on 25 September 2019 to Directors and senior managers with exercise price of 15 cents per share and expiry date 27 August 2022 (Note 20). The options were valued at $306,000 using the Black & Scholes method (see Note 20).

NOTE 19. EARNINGS PER SHARE

Basic and Diluted loss per share:	2021	2020
Net loss attributable to shareholders $	(3,490,010)	(5,196,721)
Weighted average number of ordinary shares on issue	323,761,703	224,416,746
Basic loss per share (cents) (based on weighted average number of shares on issue)	(1.08)	(2.32)

NOTE 20. SHARE BASED PAYMENTS

Options

A summary of the movements in share options issued to Directors, employees and consultants are as follows:

	2021 #	2020 $	2021 #	2020 $
Options on issue at start of period	9,000,000	306,000	-	
Options issued[1]	-	-	9,000,000	306,000
Options on issue and exercisable at the end of the period	9,000,000	306,000	9,000,000	306,000

All options had vested and were exercisable at 31 March 2021.

[1]As approved by shareholders on 27 August 2019, the options were issued to Directors and senior managers. Options have been valued using Black & Scholes model using the following variables: share price at date of issue 10.5 cents, exercise price 15 cents, risk free government bond rate 0.85% and option period of 2.92 years and a share price volatility of 64.4% based on observed historical volatility.

NOTE 21. 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 22. CASH FLOW INFORMATION

	2021 $	2020 $
Reconciliation of cash flow from operations with loss after income tax		
Loss for the period	(3,490,010)	(5,196,721)
Adjusted for:		
Depreciation and amortisation	646,597	597,830
Impairment of non-current assets	-	2,380,000
Share based payment expense	-	306,000
Unrealised exchange difference arising from translating loss items at the date of transaction	298,477	(188,764)
Operating cash outflows before working capital changes	(2,544,936)	(2,101,655)
Decrease in trade and other receivables	182,018	80,486
(Increase)/decrease in goods and services taxes recoverable	(26,718)	12,826
Decrease/(increase) in prepayments	30,511	(114,890)
(Increase)/decrease in inventory	(228,806)	278,258
Decrease in research and development tax offset	125,765	386,267
Increase/(decrease) in trade and other payables	159,451	(143,889)
Increase/(decrease) in employee liabilities	113,384	(31,902)
Net cash to operating activities	(2,189,331)	(1,634,499)

NOTE 23. 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 26 - 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:
A loan on commercial terms of $75,000 was made to the previous CEO, Mr Martin Dillon, in the year ended 31 March 2018 – refer to note 10. The loan was repaid in the year ended 31 March 2021.

The remuneration for Juliet Hull in the Directors Report includes $12,739 in consulting fees for acting as interim CEO.

(ii) Other related parties
Professor Jones, who resigned on 1 April 2020, was a member of the medical advisory committee. Professor Jones was paid $Nil (2020: $12,000) for his services as a member of the medical advisory committee.

Truscreen Group Limited engaged Ure Lynam & Co, an accounting practice of which a former director, Mr. Robert Hunter, is a member, to provide accounting, taxation, secretarial, consulting and advisory services to the Group. This agreement terminated in November 2018.

The following fees were paid to Ure Lynam & Co:

Nature of fees	2021 $	2020 $
Accounting services	-	2,938

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

NOTE 24. CONTINGENT LIABILITIES

TruScreen devices 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 significant claims have been received to date, no provision has been made in these financial statements, and any future settlement is expected to be immaterial.

NOTE 25. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 March 2021.

NOTE 26. KEY MANAGEMENT PERSONNEL COMPENSATION

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

	2021 $	2020 $
Short-term employment benefits – Directors fees[2]	214,544	303,333
Short-term employment benefits – Director's consulting fees	12,739	-
Directors share based payments	-	238,000
Other key management personnel[1]		
Short-term employee benefits - Salary	556,049	316,789
Termination benefits	257,042	-
Post-employment benefits – Superannuation	39,621	17,259
Total employment benefits	852,712	334,038
Share based payments CEO and CFO	-	51,000
Total	1,079,995	926,381

The CEO and Company Secretary employment benefits were paid by Truscreen Pty Limited, a subsidiary. Directors' fees were paid by Truscreen Group Limited.

[1]A further $38,556 (2020: $37,907) was paid to a company controlled by the Company Secretary, for accounting services.

[2]The above was paid as directors' fees to the directors of the parent entity as follows:

Director	2021 $	2020 $
Anthony Ho	80,833	110,000
Christopher Horn	50,833	50,000
Juliet Hull	24,165	-
Dexter Cheung	4,167	-
Christopher Lawrence	36,667	40,000
Ronald Jones	-	40,000
Con Hickey	17,879	40,000
Robert Hunter – (resigned 1 November 2019)	-	23,333
	214,544	303,333

NOTE 27. LICENCE COMMITMENTS

The Group has licence and service fee commitments in the amount of $171,775 (2020: $45,942) for CSIRO Lindfield research facilities which expires on 20 December 2022. However, this arrangement may be cancelled by either party with three months' notice.

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Independent Auditor's Report

To the shareholders of TruScreen Group Limited

Opinion

We have audited the consolidated financial statements of TruScreen Group Limited and its subsidiaries (the group), which comprise:

- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies.

In our opinion, the consolidated financial statements on pages 20 to 45 present fairly, in all material respects, the financial position of the group as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

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 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.

Our Australian network firm has provided a limited assurance engagement in connection pro-forma financial information required in connection with TruScreen Group Limited's foreign exempt listing on the Australian Securities Exchange. Other than in provision of this assurance service, and other than in our capacity as auditor, we have no other relationship with, or interests in, the group.

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. The key audit matters identified on the subsequent pages were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of intangible assets

Why we considered this to be a key audit matter	How our audit addressed this key audit matter
Intangible assets have a significant carrying value relative to the financial position of the group, with a carrying value of $5,001,302. Details of these are disclosed in Note 14 to the consolidated financial statements. The carrying value of intangible assets is considered to be a key audit matter due to the judgements involved in assessing the recoverable amount for the purposes of impairment testing as required by NZ IAS 36 *Impairment of Assets*. The Group's forecasts assume a significant increase in revenue over the forecast period. There is uncertainty around the timing and quantum of future revenue and cash flow generation. Previous forecasts have not been achieved, and a loss has again been reported for the 2021 financial year – both creating indicators of impairment at 31 March 2021. Management performed a review of the carrying value of the intangible assets as detailed in Note 14. This review included assessment of risks around the ability of the Group to achieve forecast revenue growth and appropriateness of assumptions in order to determine an estimate of the recoverable amount. Having conducted sensitivity analysis, management have concluded that carrying value approximates the recoverable amount, and accordingly no impairment is recorded in the 2021 year.	To assess the appropriateness of the impairment testing and the resulting carrying value of the group's intangible assets we conducted a detailed evaluation of the Group's cash flow forecast and impairment testing model as described in Note 14, including: - We obtained management's budget and 5 year forecasts, and gained an understanding of the key value drivers and key assumptions; - We discussed the future business plans and key assumptions with management and the directors to ensure it is in line with the cash flow forecasts used in the impairment testing model; - We assessed the likelihood and timing of achieving forecast revenue growth; - We evaluated and challenged how the impairment testing model accounted for risks in relation to the extent and timing of revenue growth given the current trading conditions, including assessment of the continuing impacts of the COVID-19 pandemic and related containment measures; and - We evaluated other key inputs used in the impairment testing model, including the discount rate and the terminal growth rate. We also evaluated the disclosures provided around intangible assets and the impairment testing contained in Note 14 to the consolidated financial statements.

Research and development tax offset receivable

Why we considered this to be a key audit matter	How our audit addressed this key audit matter
The group obtains research and development tax offset payments from the Australian Taxation Office (ATO) in respect of eligible expenditure incurred towards research and development. The balance sheet includes a material receivable of $558,485 at 31 March 2021 for the year's research and development tax offset based on expenses incurred during the financial year, as detailed in note 10. This receivable is based on an estimated calculation for the year to 31 March 2021. The group engages assistance from an expert to assist in preparing the claim and related documentation, based on information provided by management and derived from the underlying accounting records. As the group is yet to submit its claim for the 31 March 2021 period, this amount remains outstanding at the date of this report, and there is a risk that the balance may not be approved for payment in full by the ATO. Judgement is required in assessing the appropriate amount of tax offset payments that are expected to be received, given the complexity of the rules and regulations surrounding the tax incentive payments. Given the significance of this balance, we consider this to be a key audit matter.	Our procedures included the following: - We obtained evidence to support the overall eligibility for the research and development (R&D) activities related expenditure to be claimed, including the detailed calculations that support the amount recognised as a receivable. We also assessed the Group's history in lodging and receiving successful claims in previous years. - We evaluated the competencies and objectivity of management's external R&D tax advisor. - We considered the calculation for compliance with the requirements of the Australian R&D tax incentive legislation and regulation. We utilised R&D tax incentive expertise from our Australian network firm to assist in our review of the basis of R&D tax offset calculation prepared by management and management's external R&D tax advisor. Our testing included comparison of the related employee time records and obtaining a sample of the supporting documentation of the claimed costs relating to eligible R&D activities.

Other information

The directors are responsible for the other information included in the annual report. The other information comprises the reports and information on pages 4 to 18 and pages 50 to 56 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this 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 thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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.

Responsibilities of the directors 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 New Zealand equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the directors are responsible on behalf of the group for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless those charged with governance either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements. A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at:
https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/

Who we report to

This report is made solely to TruScreen Group Limited'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 TruScreen Group Limited and TruScreen Group Limited's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Jason Stinchcombe.

RSM

RSM Hayes Audit 29 June 2021
Auckland

GOVERNANCE

The Board and Executives of the Company are committed to conducting TruScreen's business ethically and in accordance with high standards of best practice corporate governance.

The information in this statement is current as at 25 June 2021 and has been approved by the Board.

The Board and Executives of the Company are committed to conducting TruScreen's business ethically and in accordance with high standards of best practice corporate governance.

The Board will 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 and as a Foreign Exempt Listing on the Australian Securities Exchange (ASX).

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 31 March 2021.

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) Listing Rules, the New Zealand Exchange (NZX) Corporate Governance Best Practice Code, and the New Zealand Financial Market Authority's (FMA) 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 structure of the Company's FY2021 Annual report and Corporate Governance statement aligns to reflect the change to Foreign Exempt Listing status on the ASX.

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 – CODE OF ETHICAL BEHAVIOUR

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, Officers and Employees.

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 employees. 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.

GOVERNANCE
continued

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

The Board has a written charter which sets out the roles and responsibilities of the Board. 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 31 March 2021 there were 4 Directors on the board. All Directors act in a non-executive role, however currently one of those Directors is the Acting Chief Executive Officer. 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 Directors Report section of 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. The board has a procedure for assessing director performance annually.

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: Anthony Ho, Christopher Horn, and Dexter Cheung;

Non-Independent Directors because Director is currently acting as Chief Executive Officer: Juliet Hull.

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

In terms of the NZX and ASX listing rules, Juliet Hull and Dexter Cheung are ordinarily resident in New Zealand and Anthony Ho and Christopher Horn are ordinarily resident in Australia.

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:

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

GOVERNANCE
continued

- 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 within approved levels of authority. These delegations have been reviewed in the last three months.

Appointment and Retirement of Directors

The Board has a procedure for the nomination and appointment of Directors to the Board. All directors have a letter of appointment establishing the terms of their appointment.

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 seek re-election at the annual general meeting, along with any appointments made since the previous annual meeting. Included in the notice of meeting, the board will provide guidance to shareholders as to whether the director who is seeking election or re-election is endorsed by the non-interested directors.

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

Board Processes

The Board has a regular meeting schedule complemented by regular electronic and telephone communication. The Board meetings and circular resolutions taken by the board are set out in the Directors Report.

Diversity Policy

TruScreen is committed to ensuring all women of screening age, no matter who or where they are, have access to quality screening. We are driven to build a better future for women's health.

Our dedication to diversity and equality in the workplace sits hand in hand with this commitment. We are an equal opportunities employer, committed to providing an inclusive, safe and respectful working environment.

In respect of gender diversity, in FY2021 the TruScreen team was 40% female, with 50% of senior leadership positions filled by women. One fourth of the Board of Directors is female.

Truscreen has a diverse cultural workplace with directors and team members calling Australia and New Zealand home with countries of origin being Singapore, Philippines, Romania, Poland, Iraq, China, Hong Kong, Colombia, Siri Lanka, and South Africa. This cultural diversity enables Truscreen to interact successfully with its diverse global distributor network and customers.

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 Anthony Ho (chair) and Christopher Horn. 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 ensure employees, contractors and visitors are operating in a safe environment.

This Committee met twice during the 12 months to 31 March 2021.

The Committee is satisfied that the Company, and the CEO, has 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 Christopher Horn (chair) and Juliet Hull. Subsequent to 31 March 2021, Juliet Hull retires from the Committee and Dexter Cheung is appointed to the Committee. 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 are invited to attend meetings as appropriate. The Audit, Finance & Risk Committee met twice during the 12 months to 31 March 2021.

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 ASX 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 and ASX or directly as appropriate.

The Company makes available its governance policies and announcements on its website.

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 2021 the current Directors' fee pool limit is NZ$300,000. Director remuneration is disclosed in the Annual Report.

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. Key executive remuneration is disclosed in the Annual Report.

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.

GOVERNANCE continued

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 Chief Executive Officer 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 Chief Executive Officer 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 Officers 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, Finance & Risk Committee.

External Auditor

TruScreen's external auditor is RSM Hayes Audit. RSM was appointed on 17 February 2020.

RSM 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 RIGHTS & 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 and ASX;
- 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.

The Company ensures timely circulation of notices on annual or general meetings.

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

The Company ensures that its shareholders are considered when seeking additional equity capital.

TOP TWENTY SHAREHOLDERS

Investor Name	Total Units	% Issued Capital
New Zealand Depository Nominee <1 A/C>	30,459,778	8.39%
Consolidated Nominees Pty Ltd <ARF The Robair Investment Trust A/C>	29,539,900	8.14%
Browns Island Holdings Limited	21,658,411	5.97%
Waitara Trustees Limited	18,622,222	5.13%
Masfen Securities Limited	13,499,645	3.72%
New Zealand Central Securities	11,847,611	3.27%
Albert Nominees Limited	11,000,000	3.03%
Consolidated Nominees Pty Ltd <Atk Rkh Superannuation Fund A/C>	10,062,500	2.77%
Idl Trustee Limited	9,850,000	2.71%
Lah Investment Co Pty Limited <Lah Superannuation Fund A/C>	9,056,330	2.50%
Ryan Peter Parkin	5,300,000	1.46%
Maarten Arnold Janssen	4,964,170	1.37%
Forsyth Barr Custodians	4,502,610	1.24%
David Russell Stewart & Adrienne Ruth Stewart	4,138,995	1.14%
Caroline Robyn Ball & Christopher John Thomson Bush	2,978,681	0.82%
Custodial Services Limited <4 A/C>	2,455,999	0.68%
Anthony Peng Ho & Chui Hoong Ho <AP & CH Super Fund A/C>	2,400,000	0.66%
QSP Limited	2,312,790	0.64%
Christopher Lawrence Horn & Marilyn Gai Horn <The C L Horn Super Fund A/C>	2,050,000	0.56%
Margot Jean Ainsworth	2,000,000	0.55%
	198,699,642	54.76%

ISSUED CAPITAL AS AT 15 JUNE 2021

TRU	362,866,253
Current Holders	2191

INVESTORS DOMICILE AS AT 15 JUNE 2021

Holders	
New Zealand	1,364
Australia	817
Rest of world	10
Issued Capital	
New Zealand	269,999,591
Australia	91,089,742
Rest of World	1,776,920

INVESTOR RANGES AS AT 15 JUNE 2021

	Holders	Number	%
1-1,000	40	21,792	0.01
1,001-5,000	326	1,211,817	0.33
5,001-10,000	453	3,809,064	1.05
10,001-50,000	775	19,062,837	5.25
50,001-100,000	253	19,343,865	5.33
100,001 and over	344	319,416,878	88.03

The Company had 481 unmarketable parcels as at 15 June 2021.

As at 15 June 2021 the Company has 8,777,363 unlisted options (13 option holders) on issue with exercise price of 13 cents and expiry date of 12 July 2021, and 9,000,000 unlisted options on issue (9 option holders) with exercise price of 15 cents and expiry date 27 August 2022.

A world without cervical cancer.

The Company's registered office in Australia is:

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Sydney NSW 2000
Australia

Company Secretary

Guy Robertson
guyrobertson@truscreen.com

TruScreen Group Limited

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