Company Number: 09345973

TRUSPINE TECHNOLOGIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

29 MARCH 2020

Directors	Ian Anthony Roberts	*(Chief Executive Officer)*
	Norman Alec Charles Lot	*(Chief Financial Officer)*
	Martin Charles Armstrong	*(Non-executive Chairman)*
	Timothy Hugh David Evans	*(Non-executive Director)*
	Annabel Martha Schild	*(Non-executive Director)*
Company Secretary	Norman Alec Charles Lott	
Registered office	Spectrum House Af33 Beehive Ring Road London Gatwick Airport Gatwick RH6 0LG	
Aquis Stock Exchange Corporate Adviser	Cairn Financial Advisers LLP Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX	
Legal Advisers to the Company as to English Law	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW	
Brokers to the Company	WH Ireland Limited 24 Martin Lane Candlewick London EC4R 0DR	
Investor Relations	Walbrook PR Ltd 4 Lombard Street London EC3V 9HD	
Patent Attorney to the Company	Schmeiser, Olsen & Watts LLP 11 Schoen Place 7th Floor, Pittsford NY, 14534	
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD	
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR	
Company's website	www.truspine.org	

I am pleased to report that in spite of the many challenges presented by Covid-19, TruSpine Technologies plc was able to continue with its IPO plans and was successfully admitted to the Aquis Stock Exchange Growth Market on 20 August 2020 raising gross proceeds of circa £1.4m, at a placing price of £0.36 per share. With 87,778,967 shares in issue at the time of Admission this valued the Company at £31.6m.

The proceeds will principally be used to progress the development of the Company's three pioneering spinal stabilization products, with a specific focus on completing the FDA submission for its first product to market, the Cervi-LOK in Q4 2020. The FDA clearance process normally takes up to 90 days, after which marketing and commercial sales are expected to commence in early 2021.

During the year, product development has progressed well and aside from the general strengthening and expansion of the Company's IP, the pre-submission to the FDA for the Cervi-LOK product was also completed. The Company subsequently received written feedback confirming the pathway for additional testing and validation of the product ahead of making the full 510(k) FDA submission for clearance.

As disclosed in the Company's Admission Document, the Company acquired the patents relating to its Technologies from Professor Frank Boehm, (the inventor of the Technologies) pursuant to the IP Sale Agreement. The Company protects the intellectual property in its Technologies and any future application thereof by submitting patent applications in each country in which it intends to operate. This is an active and ongoing process with new applications being filed to cover revised design, usage and application of the Technologies.

The Global Spinal Devices Market is currently estimated to be worth USD$10.2 billion and is expected to grow at a compound annual growth rate of 3.1 per cent. to 2026. North America is the single largest and most mature market accounting for around 55 per cent. of the total global revenues. The largest single sector of the global spinal device market is the spinal stabilisation sector, which is currently estimated to be worth USD$7.1 billion. This sector is estimated to grow at a compound annual growth rate of approximately 3 per cent. per annum, with the minimally invasive spine surgery component of the spinal stabilisation sector estimated to grow at a rate of approximately 6.9 per cent. This is specifically the market sector in which the Company's Products will be positioned. The Company has a phased product development strategy and is planning, subject to regulatory clearance, to commence initial product marketing of Cervi-LOK in the US in H1 2021. The overall aim is to establish the Company's Products as the "go-to solutions" for the spinal stabilisation and fusion market. In addition to the three flagship Products, the Company also has a pipeline of additional and complementary IP and product offerings at an early stage of development.

As the Company is in the pre-revenue development phase, the financial performance is that of a loss. The loss before taxation for the year was £344k (2019: £680k) after administrative expenses of £341k (2019: £676k). The R&D tax credit was £162k (2019: £168k) bringing the loss after tax to £182k (2019: £512k). Development spend for the year was £225k (2019: £111k).

Consolidated net assets at 29 March 2020 amounted to £1.694 million (2019: £1.076 million) including cash and cash equivalents of £135,000 (2019: £116).

A number of changes to the Board have occurred during the year as TruSpine realigned and strengthened its leadership team for the IPO and next phase of its growth. This included the addition of myself as Group CEO, and non-executive directors Annabel Schild and Tim Evans.

On behalf of the Board, I would also like to thank all shareholders for their support, and TruSpine's staff and commercial partners for their hard work during the year.

We are a lean and progressive company with a suite of products and IP that have the potential to provide a potential quantum shift in patient treatment within the Spinal Fixation market, and with our IPO now recently completed we are very well positioned in terms of funding and corporate profile. The board therefore looks to the future with confidence.

Ian Roberts
Chief Executive

The Directors present their Strategic Report on the Group for the year ended 29 March 2020.

Review of the business and future developments

TruSpine Technologies Plc was incorporated on 8 December 2014. The Company re-registered as a public limited company on 28 May 2020. On 20 August 2020 the Company was admitted to the Acquis Stock Exchange Growth Market.

The Company is developing disruptive technologies for use in the spinal stabilisation market, commencing with the following three devices:

- Cervi-LOK - for the cervical and upper thoracic spine
- Faci-LOK - for the lumbar and lower thoracic spine, and
- GRASP Laminoplasty - a treatment for decompression of the spinal cord.

These devices represent a potentially significant development in spinal fixation, by providing stabilisation while not altering the bony spinal anatomy of patients through the use of screws, staples or other devices which currently dominate the spinal market.

The Company is seeking to obtain regulatory clearance from the US Food and Drug Administration ("FDA") for its Cervi-LOK product in Q1 2021 and will subsequently seek clearance for Faci-LOK and GRASP Laminoplasty.

The Company has made a Pre-Submission to the FDA for its Cervi-LOK product and has received written feedback which provides it with a pathway for testing and validation of the product ahead of making the full 510(k) FDA submission for clearance for Cervi-LOK. The Company is currently undertaking biomechanical testing on Cervi-LOK and anticipates that the FDA 510(k) submission for clearance to market and sell Cervi-LOK in the US will be submitted to the FDA by November 2020.

Once a 510(k) application has been submitted, the FDA's decision to provide clearance normally takes up to 90 days, following which the Company will be able to commence marketing and sales of Cervi-LOK in the US.

The Company acquired the Patents relating to its Technologies from Professor Frank Boehm, (the inventor of the Technologies) pursuant to the IP Sale Agreement. Details of the Patents are set out in paragraph 6 of Part I and details of the IP Sale Agreement are set out at paragraph 9.1 of Part IV in the Company's Admission Document. The Company protects the intellectual property in its Technologies and any future application thereof by submitting patent applications in each country in which it intends to operate. This is an active and ongoing process with new applications being filed to cover revised design, usage and application of the Technologies.

The Global Spinal Devices Market is currently estimated to be worth USD$10.2 billion and is expected to grow at a compound annual growth rate of 3.1 per cent. to 2026. North America is the single largest and most mature market accounting for around 55 per cent. of the total global revenues.

It is important to note that the Products have not yet been used on live patients, as they are still subject to regulatory clearance and approvals by the relevant national medical regulators. The Products still require further independent testing, verification and validation. There is no guarantee that the Products will receive the relevant clearance or approvals, nor that they will work as effectively on live patients as anticipated.

Group Strategy and Business Model

Cervi-LOK and Faci-LOK are spine stabilisation devices used in the fusion of the cervical, thoracic and lumbar spine respectively. They differ from existing methods of vertebrae stabilisation as they are non-intrusive. Cervi-LOK and Faci-LOK clamp onto specific landmarks of the vertebrae bones rather than requiring fixation with screws.

The minimally invasive Products represent a potentially significant development in spinal fixation, fusion and laminoplasty techniques, providing stabilisation without altering the bony spinal anatomy by requiring screws, staples or other such attachments which dominate the current technologies and irreversibly alter the anatomy of the spine. The Company's philosophy is one of "preserving nature's design", and as such, the devices have been designed to be safe, fast and easy to implant, as well as being minimally intrusive.

The Directors believe the Company's Technologies will fill a gap in the market due to its relative health advantages (for example through not altering the patient's anatomy) as well as its overall lower cost per procedure (resulting from the reduced requirement for fluoroscopy, shorter surgery time and faster patient recovery time). The Company's Technologies cause minimal tissue disruption allowing the normal spine anatomy to remain intact and therefore aids the spinal stabilisation and fusion process.

The Company has a phased product development strategy and is planning, subject to regulatory clearance, to commence initial product marketing of Cervi-LOK in H1 2021. The overall aim is to establish the Company's Products as the "go-to solutions" for the spinal stabilisation and fusion market. In addition to the three flagship Products, the Company also has a pipeline of additional and complementary IP and product offerings at an early stage of development.

The Company has retained two key commercial partners to develop, design and manufacture its Products, and assist it through the regulatory process. Emergo Group ("Emergo"), a regulatory consultant in FDA clearance is retained by the Company to provide it with regulatory advice. Lincotek Medical LLC ("Lincotek") is retained by the Company to provide professional product development advisory, regulatory manufacturing and related services. Lincotek has also been retained by the Company to manufacture Cervi-LOK following FDA clearance.

Initially the Company is seeking to obtain clearance for use of its Products in the United States. For the Products to be lawfully marketed and sold in the United States, they are required to have "clearance" from the FDA. The Company will initially seek FDA clearance for its Cervi-LOK Product. The FDA is responsible for protecting the public health in the United States by (amongst other things) ensuring the safety, efficacy, and security of medical devices.

The Company's Products are classified as "Class II" Medical Devices under the FDA's device classification system and therefore require FDA 510(k) clearance, which does not require clinical studies prior to clearing the devices for marketing and sales. The FDA 510(k) clearance process compares a product to a "predicate device", measuring safety, function and strength. Under the notion of "substantially equivalent", if a device performs in testing at least as well as the accepted predicate device, FDA 510(k) clearance will be granted.

On 17 April 2020 our regulatory consultant Emergo, on behalf of the Company submitted a Pre-Submission to the FDA for Cervi-LOK. The Pre-Submission allows the final application to proceed in a more-timely fashion because it mitigates the scope for FDA inquiries that have the effect of restarting the FDA's 90-day period to comment on the device in question. The FDA provided the Company with written Pre-Submission feedback on its Cervi-LOK Pre-Submission in on 29 July 2020. The feedback was in line with the Directors' expectations and provides the Company with a clear pathway to obtain FDA clearance for Cervi-LOK.

The Company estimates that the bio-mechanical testing of Cervi-LOK will be completed by 30 November 2020, at which date it anticipates it will be able to submit its 510(k) application to the FDA in respect of Cervi-LOK. The FDA seeks to complete its clearance process within 90 days of submission. FDA 510(k) clearance for Cervi-LOK is therefore expected to be obtained by 31 March 2021. Following clearance by the FDA the Company will commence contracted manufacturing of Cervi-LOK. It is estimated that the first Cervi-LOK products will be ready for commercial sale within 6-8 weeks following FDA clearance.

Major company analysis in the spinal devices market currently identifies a high number of competitors, who are able to benefit from scale economies. However, these existing competitors' technologies still utilise invasive technologies like lateral mass and pedicle screws and therefore TruSpine should be well placed to compete within the spinal stabilisation market because, crucially, its Products do not alter the bony anatomy of patients.

As far as commercialisation strategy is concerned, the Company intends to acquire strategic input from a select group of surgical key opinion leaders ("KOLs") which will help refine the subtleties of the Products and the surgical approach to their implementation. They will also be involved in the necessary studies, white papers, poster presentations and podium appearances which the Directors believe will help to shape the future of the spine market and create better and safer treatment options. Following FDA clearance, a large proportion of the initial revenues will be derived from the surgical KOLs and Primary User Groups Sites. The Company has identified several Primary User Groups Sites, which will be groups of surgeons who are 'early adopters' of the Products, willing to implant them and to collect necessary data demonstrating their clinical relevance and supporting the Company's claims in relation to them.

The Pre-IPO Subscription monies will be used to finance the development of Cervi-LOK; to progress the regulatory approval of Cervi-LOK; for marketing and sales of Cervi-LOK; and for general working capital purposes.

Promotion of the Company for the benefit of the members as a whole

The Director's believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006 as detailed below.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

Our Board of Directors remain aware of their responsibilities both within and outside of the Group. Within the limitations of a Group with so few employees we endeavour to follow these principles and examples of the application of the s172 are summarised and demonstrated below.

The Company operates as a medical device company developing specific innovative products which is inherently speculative in nature and at times may be dependent upon fund-raising for its continued operation. The nature of the business is well understood by the Company's members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements.

The Company has invested considerable time in developing and fostering its relationships with its key suppliers.

As a medical device company in the spinal fusion market with operations based in the UK and USA, the Board takes seriously its ethical responsibilities to the communities and environment in which it works.

The interests of employees and consultants are a primary consideration for the Board and are planning to introduce an inclusive share-option programme allowing them to share in the future success of the company. Personal development opportunities are encouraged and supported.

Results for the year

The Group's results for the year are included in the Chief Executive's Statement on page 4.

Key performance indicators

Key performance indicators for the Group as a measure of financial control are as follows:

	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Total assets	**1,910,620**	1,545,564
Net assets	**1,693,695**	1,075,785
Cash and cash equivalents	**135,035**	116
Trade and other payables	**(216,925)**	(469,780)
Development spend	**(225,439)**	(110,987)
Loss before tax for the year	**(343,957)**	(679,592)
Earnings per share	**(0.24)p**	(0.68)p

Principal risks and uncertainties

The Group is subject to various risks similar to all medical device companies operating in overseas locations relating to political, economic, legal, industry and financial conditions, not all of which are within its control. The Group identifies and monitors the key risks and uncertainties affecting the Group and runs its business in a way that minimises the impact of such risks where possible.

The following risks factors, which are not exhaustive, are particularly relevant to the Group's business activities:

Risk Relating to Obtaining Regulatory Approvals

There can be no assurance that the Company will receive the regulatory approvals required in order to manufacture and sell its Products, including approval by the FDA in the US and the granting of CE mark in Europe. If the Products are not approved and cannot be commercialised, the Company will be unable to generate revenue from them, which would materially adversely affect its business, financial condition and the results of its operations. Moreover, any delay or setback in the regulatory approval process could have a material adverse effect on the Company's business and prospects. To mitigate this the Company employs two key commercial partners, Emergo and Lincotek to develop its Products and ensure that they achieve the regulatory approvals necessary for commercialisation.

Acceptance of the Products in clinical settings

If the Company is unable to convince opinion leaders and health professionals of the benefits of its Products, there could be weak penetration of the market, which might have a material adverse effect on the Company, its business, financial situation, growth and prospects. The slow adoption of new methods and technologies could result in timeframes being longer than anticipated by the Company. However the Company has links with a network of professionals and experts operating in these fields who have advised and given positive feedback as to the suitability and acceptability of the products in development.

No Live Patient Testing

Although Cervi-LOK has undergone significant laboratory-based testing, it has not been tested on live patients and there is no certainty that it will be as effective as envisaged, nor that it will receive regulatory clearance for use in humans. Despite this, the feedback from FDA so far in relation to Cervi-LOK has not highlighted any material issues and the Directors expect that it will successfully achieve regulatory clearance.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products will characterise the Company's business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render the Company's products, less competitive or less marketable.

The process of product development is complex and requires significant continuing costs, development efforts and third-party commitments. The Company's failure to develop new technologies and products and the obsolescence of existing technologies and products could adversely affect the business, financial condition and operating results of the Company.

The Company may be unable to anticipate changes in its potential customer requirements that could make its existing technology obsolete. Its success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The Company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its business to evolving customer or medical requirements or preferences or emerging industry standards.

Dependence on key executives, personnel and consultants

The Company's future development and prospects are substantially dependent on the continuing services and performance of the Directors, the Consultants and the Medical Advisory Board. J Lee S Consultants LLC is a particularly important consultant for the Company because it includes the services of Professor Frank Boehm, who is the inventor of the Technologies and has the technical knowledge and expertise to continue to innovate and develop the existing Products and to develop new accompanying, similar or related products. If J Lee S Consultants LLC were to terminate their consultancy agreement with the Company, the Company may be unable to appoint a similarly skilled replacement with the necessary knowledge to innovate and develop the existing Products or to develop new Products. The consultancy agreement with J Lee S Consultants LLC has a termination notice period of one year for each party to mitigate the risk of this agreement being terminated. Peter Houghton is also a key consultant of the Company and his departure from the Company may have a significant impact on the Company's ability to promote, market and sell the Products commercially.

The Directors cannot give assurances that they, the Consultants or the Medical Advisory Board will remain with the Company, although the Directors believe that the Company's culture and remuneration packages are attractive. If key members of the Company's management team depart, or are affected by illness, such as COVID-19, and the Company is not be able to find effective replacements in a timely manner or at all, its business may be disrupted or damaged.

Impact of COVID-19

The impact of COVID-19 or any other severe communicable disease, if uncontrolled, on the general economic climate could have an adverse effect on the Company. The recent outbreak of COVID-19 may have an adverse effect on the Company's business, financial situation, growth and prospects and has already had a material adverse effect on overall business sentiment and the global economy. There is no assurance there will not be similar outbreaks of other diseases in the future. The impact of the imposition by governments across the world of stringent measures to prevent the spread of COVID-19 or other diseases, and the effect of COVID-19, or any other severe communicable diseases outbreak in the future, on the employees of the Company, could adversely affect the performance of the business activities of the Company and those of the customers, which could lead to a decrease in the demand for their services. It is too early to tell what the long-term impact of COVID-19 will be on the Company's current and future prospects and to what extent it may have a material and adverse effect on the Company's business, results of operations and financial performance.

The Board has confirmed that Emergo and Lincotek, its key suppliers in achieving FDA and regulatory approval, have robust business continuity plans and are able to continue product development during the COVID-19 pandemic and associated travel restrictions. The Board does not expect there to be a material delay to the launch of the Products as a result of COVID-19.

No Current Revenues

The Products remain under development and no revenue has been generated from them as at the date of this Document. The Company's Cervi-LOK Product is expected to launch in June 2021 and the other Products are expected to be launched the following year. As such, there is no historical data on which to base the Company's estimated revenue and costs. Therefore, given the high degree of uncertainty in the economy currently and the dependency of the Company on development milestones being met and regulatory approval being obtained there cannot be certainty regarding the size of the market for the Products following their launch or whether the Company has the capacity to generate sufficient revenues to be profitable. To mitigate this the Company has engaged consultants who have extensive experience in the marketing and distribution of products in this sector.

Risk of IP infringement

There is no certainty that the Company can protect its proprietary information or intellectual property which is particularly important considering the Company has developed a number of Products that it regards as unique. There is also a risk that should an employee with knowledge of the Products cease to be employed by the Company they may seek to replicate the Products with a competitor. Although the Company intends to vehemently protect its intellectual property there can be no guarantee that such action will be effective (and will be expensive in any case), there is also a risk that the Company may be pursued by a third party for alleged intellectual property infringement. This risk has been mitigated by the Company engaging specialist patent attorneys to analyse the state of the art and report on the likelihood of the Products infringing the intellectual property subsisting in existing technologies. A Freedom to Operate report produced by Schmeiser, Olsen & Watts has concluded that the likelihood of patent infringement in relation to the Patents is low.

RISKS RELATING TO THE INDUSTRY

Competition in the Market for Spinal Devices

There are a number of companies in the spinal device market offering products that would compete with the Company's Products. These larger, well-funded companies are currently gaining a competitive advantage in the spinal device market by reducing costs through economies of scale. The Company may not currently have the capacity to compete with these existing competitors because the smaller scale of their operation leads to a higher unit cost. Major competitors in the spinal device market include Zimmer Biomet, Medtronic, Johnson & Johnson, NuVasive, Life Spine and Globus Medical.

RISKS RELATING TO FINANCIAL MATTERS

Currency and Foreign Exchange Risks

The Company's functional and presentational currency is sterling, and this is the currency of the Company's financial statements. However, a significant proportion of the Company's business is conducted in the United States in $USD and therefore certain amounts will need to be translated into sterling. Due to changes in exchange rates between sterling and $USD this could lead to changes in the Company's reported financial results from period to period. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, difference in relative values of similar assets in different currencies, long term opportunities for investments and capital appreciation and political or regulatory developments.

Financing Risks and Requirements for Further Funds

It is likely that the Company will be required to seek further equity financing. The Company's ability to raise further funds will depend on the success of its strategy and operations. The Company may not be successful in procuring the requisite funds on terms that are acceptable to it, or at all. If such funding is unavailable, the Company may be required to reduce the scope of its operations and investments or anticipated expansion, abandon its strategy, incur financial penalties or miss certain opportunities.

The Directors review the Company's funding requirements on a regular basis, and take such action as may be necessary to either curtail expenditures and / or raise additional funds from available sources including the issuance of debt or equity.

The Directors present their report and the audited financial statements for the year ended 29 March 2020.

General information

The principal activity of TruSpine Technologies Plc (the 'Company') and its subsidiaries (together the 'Group') is the development of products for the spinal fusion market. The Group is incorporated and domiciled in the United Kingdom.

Future developments

The Company continues to progress the development of the company's three pioneering Spinal Stabilization products, with a specific focus on completing the FDA submission for the first product to market, the Cervi-LOK in early Q4 2020. The FDA clearance process normally takes up to 90 days, after which marketing and commercial sales are expected to commence in early 2021. For further details please refer to the Chief Executive's Statement and Strategic Report.

Research and development

The Company is developing disruptive technologies for use in the spinal stabilisation market, commencing with the following three devices:

- Cervi-LOK - for the cervical and upper thoracic spine
- Faci-LOK - for the lumbar and lower thoracic spine, and
- GRASP Laminoplasty - a treatment for decompression of the spinal cord.

The Company has made a Pre-Submission to the FDA for its Cervi-LOK product and has received written feedback which provides it with a pathway for testing and validation of the product ahead of making the full 510(k) FDA submission for clearance for Cervi-LOK. The Company is currently undertaking biomechanical testing on Cervi-LOK and anticipates that the FDA 510(k) submission for clearance to market and sell Cervi-LOK in the US will be submitted to the FDA by November 2020.

The Company has retained two key commercial partners to develop, design and manufacture its Products, and assist it through the regulatory process. Emergo Group ("Emergo"), a regulatory consultant in FDA clearance is retained by the Company to provide it with regulatory advice. Lincotek Medical LLC ("Lincotek") is retained by the Company to provide professional product development advisory, regulatory manufacturing and related services.

The Group's development spend during the year was £225,000 (2019: £111,000)

Dividends

The Directors do not propose a dividend in respect of the year ended 29 March 2020 (2019: Nil).

Directors and directors' interests

The directors who have held office during the year and to the date of this report are as follows:

M C Armstrong

I A Roberts – appointed 20 January 2020

N A C Lott

S V Stephens – resigned 11 February 2020

T M Cramer – resigned 24 July 2019

A M Schild – appointed 29 May 2020

T H D Evans – appointed 29 May 2020

The interests (as defined in the Companies Act) of the Directors holding office during the period to date in the share capital are shown below:

	Ordinary shares of 0.01p 29 March 2020	Ordinary shares of 0.01p 29 March 2019
M C Armstrong	**333,333**	333,333
I A Roberts	**500,000**	-
N A C Lott	**1,750,000**	1,750,000
A M Schild	**3,333,334**	-
T H D Evans	**166,667**	-

A M Schild acquired an additional 833,333 shares prior to the date of the signing of this statement.

Board of Directors:

Martin Armstrong, *Non-executive Chairman*
Mr. Armstrong is a senior partner of accountancy and corporate insolvency firm Turpin Barker Armstrong. He has significant experience in corporate and financial management, financial systems, accounting, audit and strategic planning, as well as turnaround and corporate insolvency.

Ian Roberts, *Chief Executive Officer*
Mr. Roberts has over 25 years' experience in the medical technology and medical device sector, with more than half of this time spent in the orthopaedic industry covering marketing, sales manufacturing and distribution. Mr Roberts started his orthopaedic sales career with Stratec Synthes (AO) Limited, before joining Howmedica as Marketing Manager for the trauma and spine division. Following Stryker Orthopaedics' (part of leading medical technology group Stryker Corporation) acquisition of Howmedica, Mr Roberts continued to develop the trauma and spine division in the UK and Europe for Stryker Orthopaedics. Following his time at Stryker, he became Country Manager for Hospira Inc (an American global medical device company) for the UK and Ireland, managing large manufacturing, sales and administration teams of approximately 250 employees. More recently, he has been advising investment funds on alternative investments with a focus on life sciences.

Norman Lott, *Chief Financial Officer*
Mr. Lott is an experienced CFO with significant public company experience, having held multiple roles with AIM companies quoted on the London Stock Exchange. He is a member of the Institute of Chartered Accountants in England and Wales having qualified in 1980 and aside from his experience as a CFO, he has also held positions in business management including that of deputy CEO. He has also been involved in several international corporate transactions and has experience in the healthcare sector.

Dr Timothy Evans, *Non-executive Director*
Dr Evans qualified in 1979 from the Westminster Hospital Medical School, and runs a private, independent general practice in London. He specialises in women's health, and also has an interest in functional and musculoskeletal medicine. Dr Evans has a wealth of experience in his 40-year career, including setting up a specialist practice in the care of women and children, as well as a fully integrated practice in conventional, complementary and alternative healthcare. He has worked extensively in Africa and re-established primary health clinics in rural areas of Zimbabwe after ten years of civil war. In 2003, he was appointed to the position of Apothecary to HM the Queen and The Royal Households of London. In 2016 HM The Queen awarded him as a Lieutenant of the Royal Victorian Order (LVO) for his services.

Annabel Schild, *Non-executive Director*
Ms. Schild is an entrepreneur, having invested in multiple companies in finance, technology and hospitality over the last 31 years. In addition to her wealth of investment experience, Ms. Schild has also held directorships including non-executive roles across a range of industries including hospitality. Her father was the founder of Huntleigh Technology plc from 1985, the London-listed global healthcare business, which was sold to the Swedish medical equipment group Getinge AB for £409 million in 2006. She is a founding shareholder and investor in ClearBank Ltd, the UK's first new clearing bank in more than 250 years, providing open competition and transparency to the UK financial services marketplace.

Issues of shares, options and warrants

During the year, 8,044,445 ordinary shares of 0.01p each were issued as detailed in note 17.

During the year, as detailed in Note 17, there were no share options or warrants granted. 877,789 warrants were granted after the year end as detailed in note 21.

Financial instruments

An explanation of the Company's financial risk management objectives, policies and strategies is set out in note 3.

Internal financial control

The Board is responsible for establishing and maintaining the Group's system of internal financial control. Internal financial control systems are designed to meet the particular needs of the Group and the risk to which it is exposed, and by their nature can provide reasonable assurance but not absolute assurance against material misstatement or loss. The Directors are conscious of the need to keep effective internal financial control.

Due to the relatively small size of the Group's operations, the executive Directors are now closely involved in the day-to-day running of the business and as such have less need for a detailed formal system of internal financial control. The Board has reviewed the effectiveness of the procedures presently in place and considers that they remain appropriate to the nature and scale of the operations of the Group.

Going concern

The Financial Information has been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Financial Statements. This information includes management prepared cash flows forecasts, available sources of funding and considerations of the impact of COVID-19 including how the global pandemic may impact product launch and sales.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information.

Events after the balance sheet date

Events after the reporting date have been disclosed in Note 21 to the Financial Statements.

Statement as to the disclosure of information to the auditors

Each of the Directors at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

- the Director has taken all the steps that he ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

PKF Littlejohn LLP have expressed their willingness to continue in office as auditors.

A resolution proposing the re-appointment of the auditors PKF Littlejohn LLP will be put to shareholders at the Annual General Meeting.

This report was approved by the board of Directors on 28 October and signed on its behalf by:

I A Roberts

Corporate governance report

The Directors are committed to maintaining high standards of corporate governance, and propose, so far as is practicable given the Company's size and nature, to comply with the QCA Code.

The Board has put in place the corporate governance procedures it believes are appropriate for the Company. The Board retains full and effective control over the Company. The Company holds regular Board meetings at which financial, operational and other reports are considered and, where appropriate voted on. Apart from the regular meetings, additional meetings are arranged when necessary to review strategy, planning, operational, financial performance, risk and capital expenditure and human resources and environmental management. The Board is also responsible for monitoring the activities of the executive management. To enable the Board to perform its duties, all Directors have full access to all relevant information and to the service of the Company Secretary. If necessary the Non-Executive Director may take independent professional advice at the Company's expense.

A statement of the Directors' responsibilities in respect of the financial statements is set out on page 20. Below is a brief description of the role of the Board and its committees, including a statement regarding the Company's system of internal financial control.

The Company has established an Audit Committee, a Remuneration Committee and an Aquis Rules Compliance Committee. Details of these committees are set out below:

Audit Committee

The Audit Committee is comprised of Martin Armstrong (Chairman) who chairs the committee and Annabel Schild. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee meets not less than twice in each financial year and has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises Martin Armstrong (Chairman) who chairs the committee, Annabel Schild and Dr Tim Evans. The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee considers and approves the granting of any Options pursuant to the Option Plans and the award of shares in lieu of bonuses pursuant to the Company's remuneration policy. The Remuneration Committee is expected to meet formally at least twice a year and otherwise as required.

Aquis Rules Compliance Committee

The Aquis Rules Compliance Committee is responsible for ensuring that the Company has sufficient procedures, resources and controls to enable it to comply with the Aquis Rules. The Aquis Rules Compliance Committee comprises of at least two members (one of whom is the finance director) and meets not less than four times a year. The first members of the Aquis Rules Compliance Committee are Norman Lott (who shall chair the committee) and Annabel Schild.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Share Dealing

The Company has adopted a share dealing code in relation to dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the Aquis Stock Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in Ordinary Shares.

The Company has implemented an anti-bribery and corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010.

The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company.

Report of the Remuneration Committee

The Remuneration Committee is currently chaired by Martin Armstrong and includes Annabel Schild and Tim Evans. Remuneration packages are determined with reference to market remuneration levels, individual performance and the financial position of the Company. All remuneration was short term in nature.

The remuneration of the individual Directors during the year ended 29 March was as follows:

Directors	Fees	Share based payment	**Total**	Fees	Share based payment	Total
	2020	**2020**	**2020**	2019	2019	2019
	£	**£**	**£**	£	£	£
I A Roberts	**8,750**	**-**	**8,750**	-	-	-
N A C Lott	**48,000**	**-**	**48,000**	38,000	-	38,000
M C Armstrong	**-**	**-**	**-**	-	-	-
A M Schild	**-**	**-**	**-**	-	-	-
T H D Evans	**-**	**-**	**-**	-	-	-
S V Stephens (resigned 17/02/20)	**-**	**-**	**-**	40,000	-	40,000
T M Cramer (resigned 29/07/19)	**-**	**-**	**-**	1,917	-	1,917
Total	**56,750**	**-**	**56,750**	79,917	-	79,917

On behalf of the Remuneration Committee

M C Armstrong
Committee Chairman

The Directors are responsible for preparing the strategic report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the TruSpine Technologies Plc website: www.truspine.org. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUSPINE TECHNOLOGIES PLC

Opinion

We have audited the financial statements of TruSpine Technologies Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 29 March 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 29 March 2020 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

Materiality 2020	Basis for materiality
Group £84,000	*5% of net assets*
Company £83,999	*Set at a level below group materiality*

The key driver in the business is the intangible assets that relates to the development of the product lines and their patents and this will be the driver of future revenues. The intangible assets are the whole foundation and core of the business. We therefore have considered net assets to be the most significant determinant of the group's financial position and performance used by shareholders and the most appropriate benchmark of materiality. The going concern of the group is dependent on its ability to fund operations going forward, as well as on the valuation of its assets, which represent the underlying value of the group.

Materiality for the group financial statements as a whole was set at £84,000. TruSpine Technologies Plc was determined to be the only significant and material component. The parent company materiality for TruSpine Technologies Plc was set at a level lower than that of the group, in accordance with the ISAs and has been set at £83,999. We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

We agreed with the audit committee that we would report to the committee all audit differences identified during the course of our audit in excess of £4,200 for the group and £4,199 for the parent company.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of assessing the carrying value of intangible assets comprising of the development assets and patents; the accounting treatment with respect to the capitalisation of development costs and patent related costs; the consideration of future events that are inherently uncertain and the risk that the opening balances are materially misstated in the financial statements. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud and the risk of inadequate disclosures of related parties in the financial statement.

An audit was performed on the financial information of the group's significant operating component TruSpine Technologies Plc, which, for the year ended 29 March 2020, was located in the United Kingdom.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Recognition and carrying value of development costs and Ownership of the IP (note 12)	
The carrying value of the group's Intellectual Property ('IP') at 29 March 2020 represents 85% of the group's total net assets. **IP has been recognised in accordance with IAS 38 and there is a risk of incorrect valuation, carrying value and recognition of development costs capitalised.** **In addition, there is a risk that the IP ownership does not actually lie with TruSpine and thus the right to use the asset would not be held.**	We assessed and challenged the directors' application if IAS 38. This assessment included: • Developing an understand of the company's policy of capitalising development costs and ensure in line with accounting standards; • Completion of substantive testing on a sample of additions to ensure items are correctly capitalised; • Challenge management's assumptions on the valuation and criteria for capitalisation; • Review costs to fall under research costs and not development; • For a sample of intangible assets, obtain evidence from management of their continued existence and review for indicators of impairment; and • Obtain IP ownership documentation to gain assurance over the rights to the asset.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company'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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

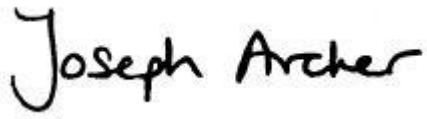
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
28 October 2020

15 Westferry Circus
Canary Wharf
London E14 4HD

TRUSPINE TECHNOLOGIES PLC **GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 MARCH 2020**

	Note	Audited Year ended 29 March 2020 £	Unaudited Year ended 29 March 2019 £
From continuing operations			
Administrative expenses		(340,733)	(675,628)
Operating loss		(340,733)	(675,628)
Finance expense	9	(3,224)	(3,964)
Loss before tax		**(343,957)**	**(679,592)**
Tax credit	10	162,191	167,751
Loss		**(181,766)**	**(511,841)**
Loss attributable to:			
Owners of the parent		**(181,766)**	**(511,841)**
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange translation differences on foreign operations		(2,565)	(18,244)
Total comprehensive loss		**(184,331)**	**(530,085)**
Total comprehensive loss attributable to equity shareholders		**(184,331)**	**(530,085)**
Earnings per share basic and diluted (pence)	11	**(0.24)p**	**(0.68)p**

The notes on pages 33 to 49 are an integral part of these financial statements

TRUSPINE TECHNOLOGIES PLC
REGISTERED NUMBER: 09345973

GROUP STATEMENT OF FINANCIAL POSITION AS AT 29 MARCH 2020

	Note	Year ended 29 March 2020 £	Year ended 29 March 2019 £
Non-current assets			
Intangible assets	12	1,614,696	1,389,257
		1,614,696	**1,389,257**
Current assets			
Trade and other receivables	14	**160,889**	156,200
Cash and cash equivalents	15	**135,035**	107
		295,924	**156,307**
Total assets		**1,910,620**	**1,545,564**
Current liabilities			
Trade and other payables	16	**216,925**	469,780
		216,925	**469,780**
Total liabilities		**216,925**	**469,780**
Net assets		**1,693,695**	**1,075,785**
Equity attributable to owners of the parent			
Share capital	17	**8,385**	7,580
Share premium	17	**3,727,035**	2,920,599
Other reserves	17	**(205,000)**	(200,000)
Translation reserve		**(18,609)**	(16,044)
Retained earnings		**(1,818,116)**	(1,636,350)
Total equity attributable to owners of the parent		**1,693,695**	**1,075,785**
Total equity		**1,693,695**	**1,075,785**

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Parent Company Statement of Comprehensive Income.

The loss before tax for the Parent Company for the year was £357,796 (2019: £673,028).

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2020 and were signed on its behalf by

I A Roberts
Director

The notes on pages 33 to 49 are an integral part of these Financial Statements.

TRUSPINE TECHNOLOGIES PLC
Year ended 29 March 2020

GROUP STATEMENT OF CHANGES IN EQUITY

		Attributable to owners of the parent					
	Note	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total
		£	£	£	£	£	£
Balance as at 29 March 2018		**7,190**	**2,332,702**	**-**	**2,200**	**(1,124,509)**	**1,217,583**
Loss for the year		-	-	-	-	(511,841)	(511,841)
Other comprehensive loss		-	-	-	(18,244)	-	(18,244)
Total comprehensive loss for the year		**-**	**-**	**-**	**(18,244)**	**(511,841)**	**(530,085)**
Issue of shares, net of issue costs		**390**	**587,897**	**-**	**-**	**-**	**588,287**
Share exchange		**-**	**-**	**(200,000)**	**-**	**-**	**(200,000)**
Transactions with owners, recognised directly in equity		**390**	**587,897**	**(200,000)**	**-**	**-**	**(388,287)**
Balance as at 29 March 2019		**7,580**	**2,920,599**	**(200,000)**	**(16,044)**	**(1,636,350)**	**1,075,785**
Balance as at 29 March 2019		**7,580**	**2,920,599**	**(200,000)**	**(16,044)**	**(1,636,350)**	**1,075,785**
Loss for the year		**-**	**-**	**-**	**-**	(181,766)	(181,766)
Other comprehensive loss		**-**	**-**	**-**	(2,565)	**-**	(2,565)
Total comprehensive loss for the period		**-**	**-**	**-**	**(2,565)**	**(181,766)**	**(184,331)**
Issue of shares, net of issue costs		**805**	**806,436**	**-**	**-**	**-**	807,241
Share exchange		**-**	**-**	**(5,000)**	**-**	**-**	(5,000)
Transactions with owners, recognised directly in equity		**805**	**806,436**	**(5,000)**	**-**	**-**	**802,241**
Balance as at 29 March 2020		**8,385**	**3,727,035**	**(205,000)**	**(18,609)**	**(1,818,116)**	**1,693,695**

Retained earnings – The retained earnings reserve includes all current and prior periods retained profits and losses.

Translation reserve – The translation reserves includes foreign exchange movements on translating the overseas subsidiaries records, denominated in USD, to the presentational currency, GBP.

The notes on pages 33 to 49 are an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 MARCH 2020

	Note	Year ended 29 March 2020 £	Year ended 29 March 2019 £
Cash flows from operating activities			
Loss before tax		**(343,957)**	**(679,592)**
Adjustments for:			
Depreciation and amortisation		-	-
(Increase)/decrease in trade and other receivables		(4,689)	296,207
(Decrease)/increase in trade and other payables		(252,854)	131,464
Cash used in operations		**(601,500)**	**(251,921)**
Income tax credit		162,191	167,751
Net cash flows from operating activities		**(439,309)**	**(84,170)**
Investing activities			
Purchase of intangible assets		(225,439)	(110,987)
Net cash used in investing activities		**(225,439)**	**(110,987)**
Financing activities			
Proceeds from Issue of shares, net of issue costs		807,241	413,287
Acquisition of owner shares		(5,000)	(200,000)
Net cash generated from financing activities		**802,241**	**213,287**
Net increase in cash and cash equivalents		**137,493**	**18,130**
Cash and cash equivalents at beginning of period		107	221
Exchange rate differences on cash and cash equivalents		(2,565)	(18,244)
Cash and cash equivalents and end of period	15	**135,035**	**107**

Included within the cash flow statement are the following non-cash transactions: -

- In the year to 29 Match 2019, 666,667 shares that were acquired from a third party in settlement for a liability owed to the Company by the third party amounting to £200,000.

The notes on pages 33 to 49 are an integral part of these Financial Statements.

TRUSPINE TECHNOLOGIES PLC
REGISTERED NUMBER: 09345973

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 29 MARCH 2020

	Note	Audited Year ended 29 March 2020 £	Audited Year ended 29 March 2019 £
Non-current assets			
Intangible assets	12	1,576,792	1,364,863
		1,576,792	**1,364,863**
Current assets			
Trade and other receivables	14	438,498	262,660
Cash and cash equivalents	15	135,035	116
		573,533	**262,776**
Total assets		**2,150,325**	**1,627,640**
Current liabilities			
Trade and other payables	16	212,820	302,794
		212,820	**302,794**
Total liabilities		**212,820**	**302,794**
Net assets		**1,937,505**	**1,324,846**
Equity attributable to owners of the parent			
Share capital	17	8,385	7,580
Share premium	17	3,727,035	2,920,599
Other reserves	17	(205,000)	(200,000)
Translation reserve		(12,511)	(18,535)
Retained earnings		(1,580,404)	(1,384,798)
Total equity attributable to owners of the parent		**1,937,505**	**1,075,785**
Total equity		**1,937,505**	**1,075,785**

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2020 and were signed on its behalf by

I A Roberts
Director

The notes on pages 33 to 49 are an integral part of these Financial Statements.

TRUSPINE TECHNOLOGIES PLC **COMPANY STATEMENT OF CHANGES IN EQUITY**
Year ended 29 March 2020

	Note	Share capital £	Share premium £	Other reserves £	Translation reserve £	Retained earnings £	Total £
Balance as at 29 March 2018		**7,190**	**2,332,702**	**-**	**-**	**(879,521)**	**1,460,371**
Loss for the year		-	-	-	-	(505,277)	(511,841)
Other comprehensive loss		-	-	-	(18,535)	-	(18,244)
Total comprehensive loss for the year		**-**	**-**	**-**	**(18,535)**	**(505,277)**	**(530,085)**
Issue of shares, net of issue costs		**390**	**587,897**	**-**	**-**	**-**	**588,287**
Share exchange		**-**	**-**	**(200,000)**	**-**	**-**	**(200,000)**
Transactions with owners, recognised directly in equity		**390**	**587,897**	**(200,000)**	**-**	**-**	**(388,287)**
Balance as at 29 March 2019		**7,580**	**2,920,599**	**(200,000)**	**(18,535)**	**(1,384,798)**	**1,324,846**
Balance as at 29 March 2019		**7,580**	**2,920,599**	**(200,000)**	**(18,535)**	**(1,384,798)**	**1,324,846**
Loss for the year		**-**	**-**	**-**	**-**	(195,606)	(195,606)
Other comprehensive loss		**-**	**-**	**-**	6,024	**-**	6,024
Total comprehensive loss for the period		**-**	**-**	**-**	**6,024**	**(195,606)**	**(189,582)**
Issue of shares, net of issue costs		**805**	**806,436**	**-**	**-**	**-**	807,241
Transactions with owners, recognised directly in equity		**805**	**806,436**	**-**	**-**	**-**	**807,241**
Balance as at 29 March 2020		**8,385**	**3,727,035**	**(205,000)**	**(12,511)**	**(1,580,404)**	**1,937,505**

The notes on pages 33 to 49 are an integral part of these Financial Statements.

TRUSPINE TECHNOLOGIES PLC

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 29 MARCH 2020

	Note	Year ended 29 March 2020 £	Year ended 29 March 2019 £
Cash flows from operating activities			
Loss before tax		**(357,796)**	**(673,028)**
Adjustments for:			
Depreciation and amortisation		-	-
(Increase)/Decrease in trade and other receivables		(175,838)	218,458
(Decrease)/increase in trade and other payables		(89,974)	3,646
Cash used in operations		**(623,608)**	**(450,924)**
Income taxes credit		162,191	167,751
Net cash flows used in operating activities		**(461,417)**	**(283,173)**
Investing activities			
Purchase of intangible assets		(211,929)	(86,593)
Net cash used in investing activities		**(211,929)**	**(86,593)**
Financing activities			
Proceeds from Issue of shares, net of issue costs		807,241	588,287
Acquisition of owner shares		(5,000)	(200,000)
Net cash generated from financing activities		**802,241**	**388,287**
Net increase in cash and cash equivalents		**128,895**	**18,521**
Cash and cash equivalents at beginning of period		116	130
Exchange rate differences on cash and cash equivalents		6,024	(18,535)
Cash and cash equivalents and end of period	15	**135,035**	**116**

Included within the cash flow statement are the following non-cash transactions: -

- In the year to 29 Match 2019, 666,667 shares that were acquired from a third party in settlement for a liability owed to the Company by the third party.

The notes on pages 33 to 49 are an integral part of these Financial Statements

1. General Information

The principal activity of TruSpine Technologies Plc (the 'Company') and its subsidiaries (together the 'Group') is the development of products for the spinal fusion market. The Company is a public limited company which is listed on the Aquis Stock Exchange and is incorporated and domiciled in England. The address of its registered office is located at Spectrum House AF33, Beehive Ring Road, Gatwick Airport, Gatwick, RH6 0LG, United Kingdom.

2. Accounting policies

The principal accounting policies applied in the preparation of this Financial Information are set out below ('Accounting Policies' or 'Policies'). These Policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. Basis of Preparation

The Consolidated Financial Information of TruSpine Technologies Plc has been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC Interpretations Committee ('IFRS IC') as adopted by the European Union. The Consolidated Financial Information has also been prepared under the historical cost convention.

The Financial Information is presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of Financial Information in conformity with IFRS's requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

2.2. Changes in accounting policies and disclosures

(a) New and amended standards mandatory for the first time for the financial period under review

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning on or after 1 April 2019 and have been applied in preparing these Financial Statements. New standards mandated for 2020 have been applied consistently across all periods presented.

The Group has adopted the following standards and amendments for the first time for the periods under review:

- IFRS 16, Leases;
- Annual Improvements to IFRS Standards 2015-2017; and
- IFRIC 23, Uncertainty over Income Tax Treatments.

There was no significant impact as a result of the adoption of these standards.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

A number of new standards and amendments to standards and interpretations are effective for the financial period beginning on or after 1 January 2019 and have been applied in preparing these Financial Statements.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Group intends to adopt these standards, if applicable, when they become effective.

Standard	Impact on initial application	Effective date
IAS 1 and IAS 8	Definition of material	1 January 2020
IFRS 3 (Amendments)	Business combinations	*1 January 2020
Conceptual Framework	Amendments to References to the Conceptual Framework in the IFRS Standards	*1 January 2020
IAS 1 (Amendments)	Presentation of financial statements: classification of liabilities	*1 January 2022

*Subject to EU endorsement

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

2.3. Basis of consolidation

The Consolidated Financial Information consolidate the Financial Statements of the Company and of all of its subsidiary undertakings for all periods presented.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are deconsolidated from the date that control ceases.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those used by other members of the Group. All intercompany transactions and balances between Group enterprises are eliminated on consolidation.

2.4. Going concern

The Financial Statements have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the Directors take into account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the Financial Statements. This information includes management prepared cash flows forecasts, available sources of funding and considerations of the impact of COVID-19 including how the global pandemic may impact product launch and sales.

The Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the Financial Information. Further information on the Group's borrowing is given in Note 16.

2.5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board, who is considered to be the Chief Operating Decision Maker ('CODM'). The Board makes the strategic decisions and separates its activities by geographical location.

2.6. Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Group is Pounds Sterling. The consolidated financial statements are presented in Pounds Sterling (£), rounded to the nearest pound, which is the Company's and Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs. All other foreign exchange gains and losses are presented in the income statement within 'Other net gains/(losses)'.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value, such as equities classified as available for sale, are included in other comprehensive income.

2.7. Intangible assets

Research costs are expensed as incurred. Development expenditures derive from costs incurred by third party contractors and management's view of time spent by individual consultants that are directly attributable to individual projects. These costs are recognised as intangible assets when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and its ability to use or sell the asset;
- how the intangible asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

2.8. Impairment of Non-Financial Assets

Assets that have an indefinite useful life or are not ready to use are not subject to amortisation and are tested annually for impairment. At each year-end date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value, less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

2.9. Financial Assets

Initial recognition

A financial asset is recognised in the statement of financial position when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

The Group and Parent Company classifies its financial assets at amortised cost.

The Group and Parent Company measures financial assets at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset is derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Group and Parent Company recognise a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Group and Parent Company expect to receive. Regarding trade receivables, the Group and Parent Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

2.10. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and are subject to an insignificant risk of changes in value.

2.11. Share capital

Ordinary shares are classified as equity. 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.

2.12. Financial liabilities including trade and other payables and borrowings

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Group or Parent Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost: any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method. Borrowings are classified as current liabilities unless the Group or Parent Company has an unconditional right to defer settlement of the liability for at least one year after the end of the reporting period.

2.13. Taxation

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case the tax is also recognised directly in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Group has reoccurring tax losses which can be used to offset future profits. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax asset has been recognised in the current year.

The Group receives small and medium sized enterprises research and development tax relief for their costs incurred in developing, implementing and testing the platform software. The R&D relief is calculated on the basis of the tax laws enacted at the end of the reporting period in the United Kingdom and is recognised in the period in which it is received.

2.14. Earnings per share

Basic and diluted earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 17).

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's Board monitors and manages the financial risks relating to the operations of the Group. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout this financial information.

Financial instruments

The financial instruments used by the Group, from which financial instrument risk arises, are trade and other receivables (see note 14), cash (see note 15) and trade and other payables (see note 16). All are held at amortised cost.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

Credit risk

Credit risk arises from cash and cash equivalents as well as any outstanding receivables. Essentially it is the risk of financial loss to the Group and Parent Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Parent Company's receivables from customers. Management does not expect any losses from non-performance of these receivables. To manage this risk, the Board periodically assesses the financial reliability of any counterparties the Group deal with. Essentially it is

The Group considers the credit risk on cash and cash equivalents to be limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk.

Market risk - Foreign exchange risk

The Group is exposed to market risk, primarily relating to foreign exchange from its US subsidiary operation. The Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Group has not sensitised the figures for fluctuations in foreign exchange as the Directors are of the opinion that these fluctuations would not have a material impact on the Financial Information of the Group at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

Liquidity risk

The Group's continued future operations depend on its ability to raise sufficient working capital through the issue of share capital and generate revenue.

3.2. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern.

It is the aim of the Directors to manage the capital structure in order to reduce the overall cost of capital. The capital comprises the shareholders' equity and going forward it is also expected to include cash and cash equivalent, and borrowings.

The Group defines capital based on the total equity of the Company. The Group monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

There are currently no restrictions on the capital of the Company.

4. Critical accounting estimates and judgements

The preparation of the financial information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial information and the reported amount of expenses during the year. Actual results may vary from the estimates used to produce this financial information.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Significant accounting judgements, estimates and assumptions

Management has considered the significant accounting judgements, estimates and assumptions and consider the following to be the critical estimate and judgement which would materially affects the Financial Statements.

Valuation of intangible assets

The directors considered whether any impairments were required on the value of the development costs, in accordance with the accounting policy. Where applicable, the recoverable amounts of cash generating units have been determined based on value in use calculations using information from third parties and an internal evaluation of future income streams in conjunction with the development stage the Group has reached at any one stage. These calculations require the entity to estimate future cash flows expected to arise from the cash generating unit and apply a suitable discount rate, based on market conditions in order to calculate present value. The directors have concluded that no impairment charge is necessary.

Intangible assets comprise capitalised development costs in respect of three projects. These costs are considered in the light of the requirements of IAS 38 “Intangible Assets”. Development costs are amortised over the life of the project once a product enters the commercial phase. The projected useful lives of intangible assets are based on management estimates of the period that the asset will be able to generate revenue. Future events could cause the assumptions to change and therefore could impact the future results of the Group and Parent Company. Further details of these estimates are available in note 12.

5. Segment information

Management has determined the operating segments based on reports reviewed by the Board of Directors that are used to make strategic decisions. During the periods presented the Group had interests in two key geographical segments, being the UK and the USA. The Group is concentrating on developing one product at a time and is currently focussing on its Cervi-LOK product. However, it has incurred development and patent costs on each of its products and these have been separated out in note 12 on Intangible assets.

Group

Year to 31 March 2020	**UK £**	**USA £**	**Total £**
(Loss)/profit from operations per reportable segment	(357,796)	13,839	**(343,957)**
Additions to non-current assets	211,929	13,510	**225,439**
Reportable segment assets	1,872,716	37,904	**1,910.620**
Reportable segment liabilities	(212,820)	(4,105)	**(216,925)**

Year to March 2019	**UK £**	**USA £**	**Total £**
Loss from operations per reportable segment	(673,029)	(6,563)	**(679,592)**
Additions to non-current assets	86,593	24,394	**110,987**
Reportable segment assets	1,521,025	24,539	**1,545,564**
Reportable segment liabilities	(302,795)	(166,985)	**(469,780)**

6. Expenses by nature

Group	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Consultancy fees	207,833	172,778
Salaries	5,000	-
Professional and legal costs	9,416	36,934
Conference/Registration costs	1,775	2,947
Marketing & PR	1,900	-
Website costs	895	-
Bad debt expense	-	414,500
Office costs	10,994	6,399
Premises costs	8,396	8,578
Travel, entertainment and subsistence costs	80,492	30,646
Meeting expenses	11,966	888
Insurance	-	-
Other Administration expenses	2,066	1,958
	(340,733)	**(675,628)**

7. Auditor Remuneration

Services provided by the group's auditor and its associates

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and consolidated financial statements	(25,000)	-
Fees payable to the Company's auditor and its associates for other services:		
Reporting accountant services	(93,000)	-
	(118,000)	**-**

8. Employee benefits expenses

The Group had no employees in the period under review, except for the directors. All of the research and development was completed by external consultants, whose costs are shown in Note 6. The directors provided consultancy services to the Group, details of their remuneration are detailed below. All amounts are short term in nature:

Group	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Ian Roberts	8,750	-
Norman Lott	48,000	38,000
Simon Stephens	-	40,000
Todd Cramer	-	1,917
	56,750	**79,917**

The average number of directors in the year to 29 March 2020 was 3 (March 2019 – 5).

There were no pension benefits paid or payable to any of the directors in any of the periods under review.

9. Finance expense

Group	Year ended March 2020	Year ended 29 March 2019
	£	£
Other interest expense	1,632	1,678
Bank and finance charges	1,592	2,286
	3,224	**3,964**

10. Taxation

Tax recognised in profit or loss

Group	**Year ended 29 March 2020 £**	Year ended 29 March 2019 £
Current tax credit	**162,191**	167,751
Deferred tax	**-**	-
Net tax credit	**162,191**	167,751

	Year ended March 2020 £	**Year ended 29 March 2019 £**
Loss before tax	**(343,957)**	**(679,592)**
Standard rate of UK corporation tax	19%	19%
Loss on ordinary activities before tax multiplied by standard rate UK corporation tax	(65,352)	(129,122)
Tax adjustment	(237)	(420)
Unrelieved tax losses carried forward	65,589	129,542
UK research and development tax credit	162,191	167,751
Tax credit	**162,191**	**167,751**

At 29 March 2020, the Group are carrying forward estimated tax losses of £1. 38m (2019: £1.31m) in respect of various activities over the years. The Company did not recognise a deferred income tax credit due to uncertainty concerning the timescale of its recoverability.

11. Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

Profit attributable to equity holders of the Company	**Year ended 29 March 2020**	**Year ended 29 March 2019**
Profit/(Loss) attributable to equity holders of the Company	(181,766)	(511,841)
Weighted average number of ordinary shares in issue	76,773,336	74,927,082
Earnings per share basic and diluted (pence)	(0.24)	(0.68)

12. Intangible assets

Group	Development costs Cervi-LOK £	Development costs Faci-LOK £	Development costs GRASP £	Patent rights £	Total £
Cost					
As at 30 March 2018	**378,123**	**378,123**	**478,648**	**43,376**	**1,278,270**
Additions	**45,751**	**45,751**	**-**	**19,485**	**110,987**
Disposals	**-**	**-**	**-**	**-**	**-**
As at 29 March 2019	**423,874**	**423,874**	**478,648**	**62,861**	**1,389,257**
Additions	193,268	-	7,881	**24,290**	**225,439**
Disposals	**-**	**-**	**-**	**-**	**-**
As at 29 March 2020	**617,142**	**423,874**	**486,529**	**87,151**	**1,614,696**
Amortisation/Impairment					
As at 30 March 2019	**-**	**-**	**-**	**-**	**-**
As at 29 March 2020	**-**	**-**	**-**	**-**	**-**
Net book value					
As at 29 March 2019	**423,874**	**423,874**	**478,648**	**62,861**	**1,389,257**
As at 29 March 2020	**617,142**	**423,874**	**486,529**	**87,151**	**1,614,696**

Company	Development costs Cervi-LOK £	Development costs Faci-LOK £	Development costs GRASP £	Patent rights £	Total £
Cost					
As at 30 March 2018	**378,123**	**378,123**	**478,648**	**43,376**	**1,278,270**
Additions	**45,751**	**45,751**	**-**	**-**	**110,987**
Disposals	**-**	**-**	**-**	**(4,909)**	**-**
As at 29 March 2019	**423,874**	**423,874**	**478,648**	**38,467**	**1,364,863**
Additions	185,404	**-**	**7,881**	**18,644**	**211,929**
Disposals	**-**	**-**		**-**	**-**
As at 29 March 2020	**609,278**	**423,874**	**486,529**	**57,111**	**1,576,792**
Amortisation/Impairment					
As at 30 March 2019	**-**	**-**	**-**	**-**	**-**
As at 29 March 2020	**-**	**-**	**-**	**-**	**-**
Net book value					
As at 29 March 2019	**423,874**	**423,874**	**478,648**	**38,467**	**1,364,863**
As at 29 March 2020	**617,142**	**423,874**	**486,529**	**57,111**	**1,576,792**

The Group is currently actively developing, with a view to commercialising, three key medical products as follows:-

- Faci-LOK spinal system
- Cervi-LOK spinal system
- GRASP Laminoplasty system

Development costs comprise of costs incurred by third party contractors and management's view of time spent by individual consultants The Group and Parent Company capitalise development costs and details of the accounting policy can be found in Note 2.6.

The intangible assets are reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverable amount of intangible assets is determined based on a value in use calculation using cash flow forecasts derived from the most recent financial model information available, using a suitable discount rate based on the cost of capital. As of 29 March 2020, no impairment was recorded.

The intangible assets have not been amortised in the periods covered in these statements as the assets are still in their development stage and not yet been put in to use/commercialised. The key estimate used by management is in respect of the timing of the commercialisation of the products and when the first revenues commence.

13. Investment in Subsidiaries

Company	Year ended 29 March 2020 £	Year ended 29 March 2019 £
As at 30 March 2019	-	-
Additions	-	-
Cost at 29 March 2020	**-**	**-**

The following are the principal subsidiaries of the Company at 29 March 2020 and at the date of these Financial Statements.

Name of company	Principal Place of Business	Parent company	Class of shares	Share capital held	Nature of business
TruSpine Technologies International Limited	England & Wales	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing spinal fusion products
Critical Flow Technologies International Limited	England & Wales	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing vascular catheter products
TruSpine Technologies International Inc	United States of America	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing spinal fusion products
Critical Flow Technologies International (Dissolved 12 November 2019)	United States of America	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing vascular catheter products

14. Trade and other receivables

	Group Year ended 29 March 2020	Group Year ended 29 March 2019	Company Year ended 29 March 2020	Company Year ended 29 March 2019
	£	£	£	£
VAT receivable	**30,116**	471	**30,116**	471
Other receivables	**130,773**	155,729	**130,773**	155,575
Amount due from subsidiary company	-	-	**277,609**	106,614
	160,889	**156,200**	**438,498**	262,660

Other receivables relate to monies owed by third parties as follows:

Other receivables include monies owed to the Company by Euro SI Ltd as detailed in note 17 on Related parties. None of these are past due.

15. Cash and cash equivalents

	Group and Company	
	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Cash at bank and in hand	135,035	107
	135,035	**107**

The majority of the Group and Company's cash at bank is held with institutions with an BAA1 credit rating. No interest rate sensitivity has been applied on the grounds management consider the impact to be immaterial.

16. Trade and other payables

	Group Year ended 29 March 2020	Group Year ended 29 March 2019	Company Year ended 29 March 2020	Company Year ended 29 March 2019
	£	£	£	£
Trade payables	157,946	346,701	153,841	185,665
Director's loans	-	28,850	-	28,850
Accruals	58,950	88,250	58,950	88,250
Other payables	29	5,979	29	29
	216,925	**469,780**	**212,820**	**302,794**

Loan movements

	Group Year ended 29 March 2020	Group Year ended 29 March 2019	Company Year ended 29 March 2020	Company Year ended 29 March 2019
	£	£	£	£
Opening balance	28,850	165,000	28,850	165,000
Borrowings during the period	-	28,850	-	28,850
Repayments of loans	(28,850)	(165,000)	(28,850)	(165,000)
	-	**28,850**	**-**	**28,850**

No interest rate sensitivity has been applied on the grounds management consider the impact to be immaterial

17. Equity and other reserves

	Group and Company				
Group	**Number of shares**	**Share capital**	**Share premium**	**Other reserves**	**Total**
		£	£	£	£
Issued and fully paid					
As at 29 March 2018	**71,901,520**	**7,190**	**2,332,702**	**-**	**2,339,892**
Movement during the year	**3,899,229**	**390**	**587,897**	**(200,000)**	**388,287**
As at 29 March 2019	**75,800,749**	**7,580**	**2,920,599**	**(200,000)**	**2,728,179**
Movement during the year	**8,044,445**	**805**	**806,436**	**(5,000)**	**802,241**
As at 29 March 2020	**83,845,194**	**8,385**	**3,727,035**	**(205,000)**	**3,530,420**

Share Capital – Amount subscribed for share capital at nominal value.

Share Premium – Amount subscribed for share capital in excess of nominal value.

Other reserves comprise of 666,667 shares that were acquired from a third party in exchange for monies paid out by the Company on the third party's behalf during the year to 29 March 2019.

No share options or warrants were granted during the year (2019: Nil)

18. Commitments and contingencies

There are no further single matters pending that the Group expects to be material in relation to the Group's business, financial result or results of operations.

19. Related parties

The following transactions were carried out with related parties:

Directors' transactions

The directors provided consultancy services to the Company, details of their remuneration are covered in note 7.

Loans from directors

Amounts payable as a result of loan funds extended to the Company by directors are as follows:

	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Simon Stephens	-	28,850

These amounts are repayable on demand, unsecured and interest free.

Loans to Euro SI Limited

Euro SI Limited is a related party of the Group because Norman Lott was a director of the company.

Loan funds were extended to Euro SI Limited by the Company as historically services provided by Linkotec our major supplier in the US were carried out on behalf of Euro SI and payments by Trupine were applied prior to Euro SI Limited being established. The amounts payable at each period end are as follows:

	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Euro SI Limited	79,202	111,679

These amounts are repayable on demand, unsecured and interest free.

Transactions with Copian Capital Partners Limited

Copian Capital Partners Limited is a related party of the Group because Norman Lott is a director of the company.

Copian Capital Partners Limited provide management services to the Company. Copian Capital Partners Limited made the following charges to the Company together with the balances owing as detailed below:

	Year ended 29 March 2020	Year ended 29 March 2019
	£	£
Services charged by Copian Capital Partners Limited	60,000	60,500
Balance owed by Copian Capital Partners Limited to the Company	-	12,079
Balance owed by the Company to Copian Capital Partners Limited	3,706	-

All intra Group transactions are eliminated on consolidation and have not been further disclosed here.

Transaction with Frank Boehm

Frank Boehm is a related party because he is integral to the business and is a consultant to the Group.

The Company entered into a sale and purchase agreement with Frank Boehm on 12 June 2019, whereby Frank Boehm (the seller) sold the technology and Intellectual property of the Laminoplasty system (GRASP) to the Company (the purchaser) in exchange for the technology and intellectual property relating to the Vascular Catheter (VOSC). The products are deemed to be comparable in value and the carrying value of the VOSC product at the date of the trade was £419,641.

20. Ultimate controlling parties

The Directors consider that there is no ultimate controlling party of the Company.

21. Events after the reporting date

Subsequent to the 29 March 2020, the date of this statement, an additional 3,933,773 ordinary shares have been issued giving a total number of ordinary shares in issue of 87,778,967 at the date of the signing of this statement.

On 7 May 2020, a resolution was passed approving a reduction of capital whereby the share premium account of the Company was cancelled by an amount of £2,250,000.

At a meeting of the Company on the 28 May 2020 resolutions were passed to re-register the Company as a public limited company. Re-registration became effective on 5 June 2020 and accordingly new articles of association of the Company were adopted. The name of the Company changed from Truspine Technologies Limited to Truspine Technologies Plc.

On 20 August 2020 the Company was admitted to the Acquis Stock Exchange Growth Market.

On 20 August 2020 the Company granted 877,789 warrants to Cairn the Company's corporate adviser exercisable at a price of £0.36 for a period of up to five years.

Following the year end, the COVID-19 pandemic continues to have a global impact. The situation is continually developing and as at the date of this report the situation will need continual attention and will continue to evolve over time. In our view, consistent with others, COVID-19 is considered to be a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus makes it difficult to predict the ultimate impact on the Company at this stage. In line with most experts, we believe that the impact of the virus will be material on the general economy and central banks have already begun to reduce interest rates and taking other measures. Undoubtedly, this will have implications for the Company's operations, for example restricting travel movements and impacting fund raising activities as investors look to delay decisions until the crisis is over. Management is in the process of addressing the impact of COVID-19 on the Company, however given the fluidity and volatility of the situation it is not possible to quantify the impact at this stage.