

Company Number: 09345973

**TRUSPINE TECHNOLOGIES PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

29 MARCH 2024

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Directors	Geoffrey Richard Miller (<i>Chairman</i>) Norman Alec Charles Lott (<i>Chief Financial Officer</i>) Timothy Hugh David Evans (<i>Non-executive Director</i>) Nikunj Kantilal Patel (<i>Non-executive Director</i>) Samuel Ogunsalu (<i>Non-executive Director</i>) Victoria Lisa Nadine Sena (<i>Non-executive Director</i>)
Company Secretary	Norman Alec Charles Lott
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Aquis Stock Exchange Corporate Adviser	Cairn Financial Advisers LLP 9 th Floor, 107 Cheapside London EC2V 6DN
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	Peterhouse Capital Limited 3 rd Floor, 80 Cheapside London EC2V 6EE
Investor Relations	Novus Communications Ltd Sussex Innovation Centre Science Park Square University of Sussex Falmer, Brighton East Sussex BN1 9SB
Independent Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Registrars	Avenir Registrars Limited 5 St. John's Lane London London EC1M 4BH
Company's website	www.truspinetech.com

I am pleased to present the first set of results since I became Chair of the Board. The year under review saw a series of company changing events and an evolution of the business, which notwithstanding the challenges faced, now gives me a great deal of confidence in TruSpine's future potential.

The Company continues to face challenges like those faced by any early-stage business, but the fact that TruSpine is still described as "early stage" more than ten years after its incorporation is something that is both deeply regrettable and a sad reflection on the Company, regardless of any success that might accrue to the business in future.

Having now spent six months as Chair, my observations as to why the Company seems to have made a habit of taking two steps forward and one step back are now core issues for our new governance and finance infrastructure. We are resolving both issues, and the next six months will, I believe, see the Company take strides forward towards to realise the potential it has always had.

At the core of TruSpine's vision is our commitment to advancing spinal care through state-of-the-art systems that challenge the conventional approaches of screws and rods. Our products are engineered to offer less invasive procedures, lower risks, and improved recovery for patients, while also providing solutions for surgeons seeking advanced alternatives to traditional methods. A full description of the technology can be found in the Technology section below. The potential market is huge, but we are focused on the more immediate goals of regulatory approvals and bringing products to market.

Regulatory approval process

TruSpine's FDA application was submitted during the period. Since then, there has been regular contact with the FDA and as part of the interaction the FDA has raised points it requires us to address as part of the process. As would be expected the level of detail, data, and evidence is of a remarkably high standard and we are working with our US colleagues to address the requirements. As I have said on many occasions since my appointment, it is not my intention to provide a running commentary on the application process, but we will inform the market as and when there are any concrete developments without delay.

Separately, we are planning our European strategy, alongside our European strategic partners. This will likely be a process that completes after the US approval process, but it is important that we seek to develop both markets in parallel.

Intellectual Property

The Company has been subject to continual and damaging speculation as to its ownership of the intellectual property (IP) that underlies its technology. The position has been clear since the Company's admission to trading on Aquis, that the Company had agreed to acquire the IP. Where opportunity for confusion arose was that the IP was not transferred, as was required, shortly after the Company's admission to trading on Aquis.

During the period under review, the Company's strategy to seek resolution of this issue was to approach things from an adversarial position and seek to legally enforce its rights. While this may eventually have led to a resolution of all outstanding questions surrounding the IP, such a course of action would have been both costly and long winded, during which time question marks over the IP ownership would have remained. As a quoted company requiring further funding, persistent uncertainty would have continued to undermine the share price, increasing the Company's cost of capital and reducing the net present value of future potential earnings. Added to this, adopting an adversarial approach to the inventors would ultimately have reduced the value of the IP given the inability of the Company to then properly document the IP's full history and development.

This is not the approach that the Company will take in future. We have agreed that Professor Frank Boehm, the inventor of the proprietary spine stabilisation technologies being developed by the Company, will work on the regulatory approval process and the commercialisation of the IP.

Corporate Governance

The purpose of corporate governance is to provide effective decision making, maximise productivity and ensure clear accountability. Henceforth I am determined to ensure that there is good corporate governance throughout TruSpine, and I am acutely aware that this is a continually evolving task.

At the end of the period under review I joined the Board, together with Non-Executive Directors Samuel Ogunsalu and Victoria Sena. Between us we bring the necessary skills to effectively run the Board of the Company – myself with twenty years Board experience in emerging growth companies, Samuel with a similar length of industry experience and Victoria as Senior Independent Non-Executive Director to provide an independent view of constructive challenge.

By contrast, the other Directors' principal skills lie outside of the Boardroom, and it is for this reason that Norman Lott, Dr Tim Evans and Nikunj Patel will not be putting themselves forward for re-election at the forthcoming AGM. I look forward to Tim and Nik providing continual valued input on the medical side, as key members of the Medical Advisory Board

I would like to put on record my thanks to Nik, Tim and Norman for their stewardship of the Company through extremely challenging times in recent years. The Company would not be here today were it not for their resilience

The other area of corporate governance lacking in recent years has been oversight of the US operations. I have worked with a number of UK and European businesses over the years with US operations, and experience has taught me that where things have not worked well, a resulting lack of focus on the corporate governance between jurisdictions invariably results in a lack of transparency and accountability. I am working with our US colleagues to ensure that this is not the case with TruSpine, and in this regard I will elaborate further at the AGM.

Results

The Company continues to be in a pre-revenue development phase and remains loss making at this stage of its development. The loss before taxation for the year was £702k (2023: £853k) after administrative expenses of £656k (2023: £846k). The R&D tax credit was £141k (2023: £199k) bringing the loss after tax to £561k (2023: £654k). Development spend for the year was £56k (2023: £355k). Consolidated net assets at 29 March 2024 amounted to £2.550 million (2023: £2.773 million) including cash and cash equivalents of £125k (2023: £24k).

The Company has taken steps to bolster the balance sheet, both during the period and in the time since the period end. Since I have been involved with the Company in this calendar year a further £477k has been raised in equity and convertible loan notes and since that time we have agreed a conversion of the £200k loan within the balance sheet for equity as announced on 5 June 2024. I am confident that the combined actions provide the Company with the funding to move through the regulatory approval process and onward to commercialisation.

The creation of a stronger balance sheet is a necessity to allow the Company to move forward in its objectives, but clearly this is dilutive to existing shareholders. The Board will look at ways to allow shareholders to maintain their shareholding in the business, to ensure that they see the same share of the economic upside in the Company as originally, but this can only be achieved if shareholders contribute their proportion of the capital required to take the business through to ultimate success.

Outlook

The Company has and always has had the nascent potential to revolutionise the spine stabilisation market. What has prevented successful execution is its failure to manage the regulatory approval process and commercialisation strategy in a structured and efficient way. TruSpine tried to achieve too much, too quickly, and as a result had too little capital. Unrealistic expectations were set that were not able to be achieved.

We are in the process of a re-set. We are establishing a capital base from which to achieve all the Company's goals. We will ensure that those goals are clear, that any timelines given are achievable and that it is crystal clear where responsibility lies to enable accountability.

The prospects for the business are as exciting as they were at the Company's admission to trading on Aquis, but even though the Company has made a great deal of progress towards its objectives since that time, it is currently valued at a fraction of its market capitalisation at Admission. This is of course a reflection of past mistakes, but with the re-set process underway, I believe the Company is far better positioned today to achieve its goals than it was at Admission.



Geoffrey Miller

Chairman

27 September 2024

I am delighted to provide a more in-depth explanation of the intellectual property that underlies the value of the Company. Since joining the Board at the end of the period under review I have been struck by the potential of the technology. My role within the Company is to lead the team managing regulatory approvals and commercialisation, in the US and prospectively across other jurisdictions.

Driving innovation with TruSpine's technologies

At the core of Truspine's vision is our commitment to advancing spinal care through state-of-the-art systems that avoid the conventional approaches to spinal stabilization using *bone screws* that are inserted into the vertebrae and connected by rods or plates. Our products are engineered to offer less invasive, and in fact, less intrusive procedures thereby lowering risks and improving recovery for patients. These technologies also provide additional solutions for surgeons who are seeking advanced, innovative and "cutting edge" alternatives to these more traditional methods.

Cervi-LOK System: Revolutionizing Cervical Spine Stabilization. The Cervi-LOK system is designed specifically for posterior cervical spine stabilization with a simple and streamlined approach to fusion. Departing from traditional bone screw-based fixation leading to fusion, the Cervi-Lok system utilizes a bone anchor mechanism that avoids the risks associated with potential vertebral artery and nerve injury that can traditionally occur with lateral mass and/or pedicle screw fixation procedures. The Cervi-LOK System also offers a single-use disposable instrument set that offers less than 10 instruments to complete the procedure in a faster and more reproducible manner. This instrument set also creates value within the healthcare ecosystem of potentially minimizing the risks of surgical site infections associated with reusable instrument sets. This would revolutionize the burgeoning field of minimally, invasive, posterior, cervical, and upper thoracic stabilization. This system can be utilized in a number of different settings, including posterior stabilization for multilevel anterior procedures, as well as trauma, and even in some cases of advanced tumours of the spine. In selected patients it also can be a primary posterior stabilizing system.

Faci-LOK System: Advanced Solutions for Lumbar and Thoracic Stabilization. The Faci-LOK system focuses on providing posterior stabilization for the thoracolumbar spinal segments without the complications associated with vertebral pedicle screw systems. This system can be particularly advantageous for patients with poor bone quality and the risks of pedicle screw pull out. The Faci-LOK's strength yet minimally invasive design will offer surgeons a wider range of options in the lumbar and lower thoracic spine. The system could be advantageous in a number of different situations, including patients that have had an anterior or lateral fusion, who then can be stabilized using this system without having to change positions in the operating room. The system also could have uses in multiple other settings, including patients with compromised bone quality, patients who have or may have had complications from screws, trauma and even patients with tumors. One particular observation, which is beginning to be recognized more extensively, is the increased association with the use of screws complicated by infections associated with those screws. The system would be a very efficient way of obviating that complication.

GRASP Laminoplasty System: Elevating Cervical Spine Decompression. The GRASP Laminoplasty system offers a novel approach to cervical spine decompression procedures. The GRASP system will offer more strength and additional advantages including an opportunity to preoperatively plan how much decompression is needed for a patient.

Strategic Advantages of TruSpine Technologies

Our key systems—Cervi-LOK, Faci-LOK, and GRASP—share several overarching advantages that differentiate them in the market:

- **Minimally Invasive Procedures:** Each of our systems is designed to minimize soft tissue damage and promote quicker recovery. By avoiding traditional bone screws and rods, we may reduce the risk of complications, especially in patients with poor bone quality or those at high risk of infection.
- **Lower Infection Risk:** Evidence suggests that bone screws likely contribute to post surgical spine infections. These product designs may inherently lower infection rates, leading to better outcomes for patients.
- **Faster Patient Recovery:** The minimally invasive nature of TruSpine's systems may result in reduced operating room times, postoperative pain, shorter hospital stays, and a quicker return to daily activities, providing a significant benefit to both patients and healthcare providers.

Looking Ahead

As we look toward a future, where TruSpine's innovative technologies will continue to drive our growth and strengthen our position in the global spinal device market. Our dedication to developing proprietary, minimally invasive systems is already showing immense promise in improving patient outcomes and addressing the challenges of traditional spinal fixation and fusion methods. We remain committed to advancing these technologies.

Samuel Ogunsalu

27 September 2024

The Directors present their Strategic Report on the Group for the year ended 29 March 2024.

Review of the business and future developments

TruSpine Technologies Plc was incorporated on 8 December 2014. 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. The Company re-registered as a public limited company on 28 May 2020. On 20 August 2020 the Company was admitted to the Aquis Stock Exchange Growth Market with the issue of 3,700,442 new ordinary shares raising gross proceeds of circa £1.4m. Since then, the Company has raised a further £2,589,240 through the subscription of 80,201,031 new ordinary shares to date and a further £186,573 in convertible loan notes.

The Group has reduced its administrative costs by £190k in 2024 to £656k (2023: £846k) and the loss after tax fell by over £100k from £654k to £561k following a R&D Tax credit of £141k. Development spend also fell by £299k following the 510(k) submission to the FDA and we had tighter control on our patent spend. Our Net Asset position however decreased marginally from £2.77m in 2023 to £2.55m in 2024.

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 510(k) application Cervi-LOK was submitted during the period. There has been regular contact with the FDA and as part of the interaction the FDA has raised a number of points it wishes us to address as part of the process. As would be expected the level of detail, data, and evidence is of a very high standard. We are at present in the process of collating this additional information together. Once this is complete, we can request an interim meeting to ensure all of our additional information and data is exactly what they require, if not beyond that. Where necessary we will conduct additional testing and studies to bring this unique innovation to the market, which could be a game changer for patients and surgeons alike.

The Company signed Heads of Terms for a European partnership with HD Hospital Device S.R.L ("HD"), a long-established medical device business in Italy. The signed Heads of Terms outlines a plan for TruSpine and HD to work together on research and development, developing a European business plan to include potential distribution and manufacturing agreements, subject to agreement on final commercial terms between the two companies. A key element to the strategic partnership strategy will be working with HD, firstly to seek approval for its products and then to develop a commercial business plan.

The Company plans to commence further development work on its other two products in due course, and to review how the intellectual property portfolio of the Company can be expanded over time.

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\$13.3 billion and is expected to grow at a compound annual growth rate of 5.4 per cent from 2024 to 2030. North America is the single largest and most mature market accounting for around 48.3 per cent of the total global revenues. (Source: the Global Spinal Devices Market Report 2023).

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.

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 Company aims to be one of the first spinal companies to offer single use sterile packaged implants and instruments, which will position the Company favourably, especially in the ambulatory surgical centres in the USA.

The Directors believe that 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 following the submission of the 510(k) to the FDA and subject to regulatory clearance, it plans to commence initial product marketing of Cervi-LOK in 2025. 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 a number of key commercial partners to develop, design and manufacture its products, and assist it through the regulatory process. Emergo Group ("Emergo"), a regulatory consultant and Medical Device Academy Inc are retained by the Company to provide it with regulatory advice in relation to its FDA application. Greenlight Guru will be providing our document management services

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 has initially sought 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.

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.

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

The Directors 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.

All strategic decisions are properly discussed and evaluated in terms of their impact on the company in both the short and long term. All major decisions are passed by the Board for approval.

Important decisions had to be made in relation to building the right platform, particularly in relation to supply chain restructuring and choosing the right partners which enabled us to prepare and lodge the FDA 510(k) application.

The Company has invested considerable time in developing and fostering its relationships with its key suppliers and entering into a collaborative dialogue with potential distribution partners especially establishing appropriate systems and discovering what is required to build the right understanding of what is required to make the partnership a successful one.

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. As a pre-revenue business there is clearly limited potential at this stage for impact on either the environment or the community, however it is again worth noting that all elements of product production, distribution and sales will be carried out by qualified specialist organisations with the necessary regulatory accreditation and associated processes.

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 Chairman's Statement on page 4 and are set out in the primary statements.

Key performance indicators

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

	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
Total assets	3,888,710	3,704,066
Net assets	2,549,733	2,772,742
Cash and cash equivalents	124,646	24,276
Trade and other payables	(658,225)	(532,895)
Capitalised Development spend	(55,666)	(354,815)
Loss before tax for the year	(701,694)	(853,461)
Earnings per share	(0.47)p	(0.57)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 Conformité Européenne (CE) mark in Europe, which affirms conformity with European health, safety and environmental protection standards. 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 the 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.

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 able to find effective replacements in a timely manner or at all, its business may be disrupted or damaged.

No Current Revenues

The Products remain under development and no revenue has been generated from them as at the date of this Document. 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. Distribution agreements are also a way in which to help secure future sales and mitigate the risk.

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 our products 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. However, TruSpine's devices are novel in their design in that they represent a potentially significant development in spinal fixation, by providing stabilisation while not altering the bony spinal anatomy of patients as compared with the use of screws, staples or other devices which currently dominate the spinal market.

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. Management has successfully raised money to date, but there is no guarantee that adequate funds will be available when needed in the future.

This report was approved by the board of Directors on 27 September 2024 and signed on its behalf by:



G R Miller

The Directors present their report and the audited financial statements for the year ended 29 March 2024.

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 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 and the FDA application for the first product to market, the Cervi-LOK has now been submitted. The FDA clearance process can take anything between 90 and 360 days, after which marketing and commercial sales are expected to commence in 2025. For further details please refer to the Chairman'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.

For further details please refer to the Strategic Report.

The Group's capitalised development spend, including Patent costs, during the year was £106,990 (2023: £363,072)

Penalties and fines

The Company received a public censure in the form of a Disciplinary Notice on 16 August 2023 due to a breach in announcing certain information in an appropriate and timely manner for which it has paid a fine amounting to £50,000.

Dividends

The Directors do not propose a dividend in respect of the year ended 29 March 2024 (2023: Nil).

Directors and directors' interests

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

G R Miller – appointed 28 February 2024

M C Armstrong – resigned 5 April 2023

L R Strauss – appointed 5 April 2023, resigned 7 May 2024

N A C Lott

A M Schild – resigned 14 June 2023

T H D Evans

N K Patel

S Ogunsalu appointed 28 February 2024

V L N Sena appointed 28 February 2024

The interests (as defined in the Companies Act 2006) of the Directors holding office during the period in the share capital are shown below:

	Ordinary shares of 0.01p 29 March 2024	Ordinary shares of 0.01p 29 March 2023
M C Armstrong	741,333	741,333
G R Miller	10,111,828	-
N A C Lott	1,950,000	1,950,000
A M Schild	4,246,667	4,246,667
T H D Evans	246,667	246,667
N K Patel	1,330,000	1,330,000
S Ogunsalu	200,000	-

Board of Directors:

Geoffrey Miller, Chairman

Mr Miller currently serves as the co-Founder of Afaafa Ltd, his venture capital company that he manages with his spouse since 2013. Additionally, he serves as the Chairman of Conviction Life Sciences Company Ltd since 2022; was Chairman at MJ Hudson PLC from 2022-2023, having been a Non-Executive Director from 2019-2021; Chairman at Globalworth Real Estate Investments Ltd from 2013-2021; Chief Executive Officer at GLI Finance Ltd from 2009-2015, Chairman at Hastings Insurance Group Ltd from 2012-2014 and Aurora Russia Ltd from 2011-2013. Prior to this, Mr Miller was Head of Research Marketing at Troika Dialog in Moscow from 2008-2009, Director, Research at Bridgewell Ltd from 2003-2007 and a Fund Manager at Exeter Asset Management from 1999-2003 having served as an Investment Director at Wise Speke Limited, subsequently Brewin Dolphin Securities, from 1992-1999.

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.

Mr Nikunj Patel, Non-executive Director

Mr Patel has been a practising Consultant Neurosurgeon and Honorary Senior Clinical Lecturer at the Institute of Clinical Neurosciences (University of Bristol) since his appointment in 2005, where he has developed specialist interests and expertise in surgical treatments for spinal pain, cranial nerve hyperactive disorders and functional brain disorders. His surgical and research interests have focused on developing innovations and advancing less-invasive and stream-lined procedural solutions. He has been recognised for his neurosurgical research excellence with a Medical Research Council fellowship; awards from both the American and the European Associations of Neurological Surgeons; and a Hunterian Professorship from the Royal College of Surgeons of England.

Samuel Ogunsalu, *Non-executive Director*

Samuel Ogunsalu has over 20 years' experience in technology commercialisation, licensing, and business development. He has executed a wide number of transactions ranging from negotiating licences and M&As, to transformational technology partnerships with companies such as Merck, GSK, Pharmacia (merged with Pfizer) and Abbott (now AbbVie) as well as helping to establish reclinical research programmes with a number of industrial partners and set up joint ventures, start-ups, and spinout companies to develop novel technologies. Samuel was previously Chief Business Officer & Director of an oncology company and Chief Commercial Officer of an AIM quoted biotech company. Prior to that he has held a number of positions across technology business units connected with Queen Mary College, London, as well as other roles in which he has advised private and listed companies in both the UK and the USA. He started his professional career as a pilot plant engineer at Imperial College, London, followed by scientific research at University College London, before moving into business & commercial development. Samuel holds a BSc in Microbiology from the University of Wales, and an MSc in Biochemical Engineering from UCL.

Victoria Sena, *Non-executive Director*

Victoria Sena founded Cherrybank Consulting Limited in 2019 to assist clients in the areas of governance, operations, risk, and compliance. Previously Victoria spent eight years at the Bank of England in the authorisations, banking, and insurance divisions, and completed a secondment to the Treasury Committee of the House of Commons. After moving to the private sector Victoria served as a Group Risk Manager for an international insurance group, before becoming Chief Operating Officer of a boutique investment manager where she was an FCA Approved Person. She is a Chartered Member of the Chartered Institute of Securities and Investments and holds degrees from Oxford University and the London School of Economics and Political Science.

Issues of shares, options and warrants

During the year, 21,382,698 ordinary shares of 0.01p each were issued as detailed in Note 20.

During the year, no warrants (2023: 16,200,000) were granted 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 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 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 a period of at least twelve months from the date of approval of the Financial Statements and perform scenario planning thereon. This information includes management prepared cash flows forecasts and available sources of funding.

The Company raised just under £3m from and including the time of the Company's admission to trading on AQSE Growth Market by way of share subscriptions including a £200,000 loan that became a convertible loan in the year to March 2024 and subsequently converted into shares in June 2024. In the year to March 2024 further funds of £340,740 have been raised by way of share subscriptions and £186,573 by way of convertible loan notes the monies being used to further fund the Company's development programme and ongoing working capital requirements.

Management have considered a variety of scenarios in reaching their going concern conclusion following their 510(k) -submission including consideration of the potential success of achieving FDA approval and their ability to raise money. Based on these scenarios and the Board's assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and development expenditure requirements prior to commercialisation, the Board of Directors have concluded that they 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 Statements. If the Company was unable to obtain this additional funding, then the company would no longer be a going concern.

Events after the balance sheet date

Events after the reporting date have been disclosed in Note 25 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 27 September 2024 and signed on its behalf by:



G R Miller

TRUSPINE TECHNOLOGIES PLC

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. In the following statement we give a summary of how our board and its committees operate and how we are applying the ten principles of the QCA Code.

Principle One

Business Model and Strategy

The Board has concluded that the highest value can be delivered to its shareholders by building a medical device company focused on disrupting the spinal (vertebrae) devices market. The Company is developing revolutionary and uniquely disruptive technologies, commencing with three flagship pioneering, spinal devices, the **Cervi-LOK™**, **GRASP Laminoplasty & Faci-LOK™**. The overall aim is to establish the Company's products as the "go-to solutions" for the spinal stabilisation market. In addition to the three flagship products currently under development, the company also has a pipeline of additional and complementary spinal products.

Principle Two

Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. Investors also have access to current information on the Company through its investor hub, investorhub.truspinetech.com, and website, www.truspinetech.com, and via Chair of the Board Geoff Miller, who is available to answer investor relations enquiries.

Principle Three

Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company. The Company maintains open and ongoing dialogue with regulators and local communities in which it operates to ensure that operations are conducted in full compliance with all applicable laws and regulations, as well as avoiding any negative impact on local communities. The Board regularly reviews and assesses its key resources and relationships and has established processes and systems to ensure that there is close oversight and contact with its key stakeholders. The Board has regular meetings with employees, contractors and consultants to assess operational processes which is designed to ensure that there is an open dialogue with each person engaged by the Company to help establish best operational practice in achieving its goals and targets and delivering on its business strategy.

Principle Four

Risk Management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. The risk assessment matrix below sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them. The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them have been identified:

Activity	Risk	Impact	Control(s)	Oversight
Financial	Liquidity, market and credit risk. Inappropriate controls and accounting policies.	Inability to continue as a going concern. Reduction in asset values. Incorrect reporting of assets.	Robust capital management policies and procedures. The board agrees and signs off all annual reports which detail accounting policies. Due to size of the company, the board discusses and agrees all payments over £25,000.	Audit Committee

<i>Regulatory adherence</i>	<i>Breach of rules.</i>	<i>Censure/loss of product approval.</i>	<i>Strong compliance regime instilled at all levels of the Company.</i>	<i>Senior Independent Director/Chair of the Board</i>
<i>Strategic</i>	<i>Damage to reputation. Inadequate disaster recovery procedures</i>	<i>Inability to secure new capital or investments. Loss of key operational and financial data.</i>	<i>Effective communications with shareholders coupled with consistent messaging to potential investees. Robust compliance. Off-site storage of data.</i>	<i>Board of Directors</i>
<i>Management</i>	<i>Recruitment and retention of key people</i>	<i>Reduction in operating capability</i>	<i>Stimulating and safe working environment. Balancing salary with longer term incentive plans.</i>	<i>Non-Executive Directors</i>

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the Chair of the Board, Geoff Miller. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the Company CFO and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

Principle Five

A Well-Functioning Board of Directors

As at the date hereof the Board comprised: the Chair Geoff Miller, CFO, Norman Lott, Non-Executive Director Samuel Ogunsalu, Senior Independent Director Victoria Sena and Non-executive Directors, Dr Tim Evans and Nikunj Patel. Biographical details of the current Directors are set out within Principle Six below. Executive and Non-Executive Directors are subject to re-election annually. Executive Directors are considered to be full-time employees whilst the Non-Executive Directors are considered to be part time, but are expected to provide as much time to the Company as is required. The Board elects a chairperson to chair every meeting. The Board meets formally at least 6 times per annum, but regular contact is maintained so that all Directors are informed of relevant developments and are able to have discussions whenever required. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not created a Nominations Committee.

The Board considers that the above arrangements are appropriate, given the Company's current stage of operations. It shall continue to monitor the need to match resources to its operational performance and costs and the matter will be kept under review going forward.

Victoria Sena, Nikunj Patel and Dr Tim Evans are considered by the Board to be Independent Directors. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent Non-executive Directors which it fulfils.

Attendance at Board and Committee Meetings

The Company reports annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors. To be efficient, the Directors meet formally and informally both in person and virtually, online. To date there have been at least quarterly formal meetings of the Board, and the volume and frequency of such meetings is expected to continue to be, on average, higher than this level.

The number of meetings of the board of directors of the Company held during the year ended 29 March 2024 and the number of meetings attended by each director is tabled below.

	<u>No of Board Meetings</u>	<u>Meetings Attended</u>
G. Miller	1	1
L. Strauss	11	10
N. Lott	11	11
N. Patel	11	7
T. Evans	11	5
S. Ogunsalu	1	1
V. Sena	1	1

Principle Six

Appropriate Skills and Experience of the Directors

The Board currently consists of six Directors. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal. Currently each of the board are involved in financial markets and increase their awareness and skills via reading and participation in commercial transactions from time to time.

Chair of the Board – Geoff Miller

Mr Miller currently serves as the co-Founder of Afaafa Ltd, his venture capital company that he shares with his spouse since 2013. Additionally, he serves as the Chairman of Conviction Life Sciences Company Ltd since 2022; was Chairman at MJ Hudson PLC from 2022-2023, having been a Non-Executive Director from 2019-2021; Chairman at Globalworth Real Estate Investments Ltd from 2013-2021; Chief Executive Officer at GLI Finance Ltd from 2009-2015, Chairman at Hastings Insurance Group Ltd from 2012-2014 and Aurora Russia Ltd from 2011-2013. Prior to this, Mr Miller was Head of Research Marketing at Troika Dialog in Moscow from 2008-2009, Director, Research at Bridgewell Ltd from 2003-2007 and a Fund Manager at Exeter Asset Management from 1999-2003 having served as an Investment Director at Wise Speke Limited, subsequently Brewin Dolphin Securities, from 1992-1999.

Non-Executive Director – Samuel Ogunsalu

Samuel Ogunsalu has over 20 years' experience in technology commercialisation, licensing, and business development. He has executed a wide number of transactions ranging from negotiating licences and M&As, to transformational technology partnerships with companies such as Merck, GSK, Pharmacia (merged with Pfizer) and Abbott (now AbbVie) as well as helping to establish preclinical research programmes with a number of industrial partners and set up joint ventures, start-ups, and spinout companies to develop novel technologies. Samuel was previously Chief Business Officer & Director of an oncology company and Chief Commercial Officer of an AIM quoted biotech company. Prior to that he has held several positions across technology business units connected with Queen Mary College, London, as well as other roles in which he has advised private and listed companies in both the UK and the USA. He started his professional career as a pilot plant engineer at Imperial College, London, followed by scientific research at University College London, before moving into business & commercial development. Samuel holds a BSc in Microbiology from the University of Wales, and an MSc in Biochemical Engineering from UCL.

Group Chief Financial Officer – Norman Lott

Norman is an experienced international CFO with significant Plc experience, having held multiple roles in AIM listed companies 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 CEO. He has also been involved in several international M&A transactions and has direct experience in this sector.

Senior Independent Director – Victoria Sena

Victoria Sena founded Cherrybank Consulting Limited in 2019 to assist clients in the areas of governance, operations, risk, and compliance. Previously Victoria spent eight years at the Bank of England in the authorisations, banking, and insurance divisions, and completed a secondment to the Treasury Committee of the House of Commons. After moving to the private sector Victoria served as a Group Risk Manager for an international insurance group, before becoming Chief Operating Officer of a boutique investment manager where she was an FCA Approved Person. She is a Chartered Member of the Chartered Institute of Securities and Investments and holds degrees from Oxford University and the London School of Economics and Political Science.

Non-Executive Director – Nikunj Patel

Mr. Nik Patel has been practicing Consultant Neurosurgeon and Honorary Senior Clinical Lecturer at the Institute of Clinical Neurosciences (University of Bristol) since his appointment in 2005. Nik trained in medicine at Charing Cross & Westminster Medical School, and in neurosciences at University College London. In 1991 he gained a First-Class Honours Degree in Neurosciences and in 1994 graduated in Medicine with Distinction in Pathology from University of London. His basic surgical training was completed at Oxford University. His neurosurgical training was completed at Frenchay hospital, University of Bristol, where he was appointed Consultant Neurosurgeon in 2005. Nik has developed a special interest in the treatment of functional brain disorders and for conditions causing severe pain, especially from disorders related to the face and head, spinal disease and those secondary to nerve injury. His surgical and research interests have focused on developing innovations, and in advancing less-invasive and stream-lined procedural solutions. He has been recognised for his neurosurgical research excellence with a Medical Research Council fellowship; awards from both the American and the European Associations of Neurological Surgeons; and a Hunterian Professorship from the Royal College of Surgeons of England.

Non-Executive Director – Dr Tim Evans

Tim 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 has an interest in functional and musculoskeletal medicine. Tim 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 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 with an LVO for his services.

Principle Seven

Evaluation of Board Performance

Internal evaluation of the Board, its committees and individual Directors is undertaken on an annual basis in the form of informal discussions and the output discussed at a Board meeting. The annual report details the progress which the Board and Company has made for the year.

No succession planning is deemed necessary at this point due to the small size of the company. Each director is also assessed by shareholders at the AGM when their re-appointment is voted upon.

Principle Eight

Corporate Culture

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders can express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on Aquis Stock Exchange and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Principle Nine

Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Executive Director arising because of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chair of the Board is responsible for the effectiveness of the Board, as well as being delegated by the Board of Directors with the management of the Company's business and is the primary contact with shareholders.

Audit Committee

The Audit Committee comprises of Victoria Sena (Chair), Samuel Ogunsalu and Nikunj Patel. This 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 shall meet not less than twice in each financial year, and it has unrestricted access to the Company's auditors.

Remuneration Committee

The Remuneration Committee comprises Samuel Ogunsalu (Chair), Victoria Sena 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 also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy.

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.

Non-Executive Directors

The Board has appointed five Non-Executive Directors.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten

Shareholder Communication

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting.

Investors also have access to current information on the Company through its investor hub, investorhub.truspinetech.com, and website, www.truspinetech.com, and via Chair of the Board Geoff Miller, who is available to answer investor relations enquiries which can be submitted through the investor hub. The company's investor hub also details various information: annual reports, AGM notice of meetings and RNS announcements detailing results of meetings and other relevant information.

A statement of the Directors' responsibilities in respect of the financial statements is set out below giving 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 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.

The Company has established an Audit Committee and a Remuneration Committee. Details of these committees are set out above under Principal Nine of the QCA code:

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 constitutes 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 apply to the Company and dealings in Ordinary Shares.

Internal Controls

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 Sam Ogunsalu and also includes Victoria Sena and Dr 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 2024 was as follows:

<i>Directors</i>	Fees	Total	Fees	Total
	2024	2024	2023	2023
	£	£	£	£
G R Miller	4,167	4,167	-	
L R Strauss	136,667	136,667	8,333	8,333
N A C Lott	60,000	60,000	60,000	60,000
M C Armstrong	-	-	12,000	12,000
A M Schild	-	-	12,000	12,000
T H D Evans	12,000	12,000	12,000	12,000
N K Patel	12,000	12,000	12,000	12,000
S Ogunsalu	2,500	2,500	-	-
V L N Sena	3,333	3,333	-	-
Total	230,667	230,667	208,000	208,000

No share options were granted to the directors during the year.

On behalf of the

Remuneration Committee

S Ogunsalu

Committee Chairman

TRUSPINE TECHNOLOGIES PLC

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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 UK adopted International Accounting Standards. 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 UK adopted International Accounting Standards, 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 2024 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Group Statements of Changes in Equity, the Consolidated Statements of Cash Flows, the Company Statement of Financial Position, the Company Statements of Changes in Equity, the Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards 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 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards 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 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.

Material uncertainty related to going concern

We draw attention to note 2.4 in the financial statements, which indicates that the group is reliant upon Food and Drug Administration (FDA) approval, subsequent sales and/or further financing to meet its working capital needs. There is no guarantee that these will be achieved. As stated in note 2.4, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing cash flow forecasts, management accounts, and budgets from management for the period up to March 2026 to give an indication of the expected financial returns in future months;
- Reviewing supporting documentation to assess the reasonableness of management's cash flow forecasts and comparing previous forecasts to actual results;
- Reviewing future plans for fund raises and the dependence of the group on these to continue as a going concern;
- Challenging management's assumptions for their going concern assessment to supporting documents and alternative evidence;
- Reviewing meeting minutes for any references to financial difficulties; and
- Continued review of regulatory news service announcements (RNS) and discussing subsequent events and future plans with management.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

Headline materiality 2024	Performance materiality 2024	Headline materiality 2023	Performance materiality 2023	Basis for materiality (2024 and 2023)	Basis for performance materiality (2024 and 2023)
Group £126,000	Group £100,800	Group £140,000	Group £112,000	5% of net assets	80% of headline materiality
Parent Company £125,000	Parent Company £100,000	Parent Company £139,000	Parent Company £111,200	5% of net assets (Capped at a level below group materiality)	Set at a level below group materiality

The key driver in the business is the intangible assets that relate to the development of the product lines and their patents and this will be the driver of future revenues. The intangible assets are the 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, linked to the valuation of its assets, which represent the underlying value of the group.

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 £6,300 (2023: £7,000) for the group and £6,250 (2023: £6,950) for the parent company.

Our approach to the 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 patent; the accounting treatment with respect to the capitalisation of development cost and patent related costs and the consideration of future events that are inherently uncertain, such as FDA approval. 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 only significant operating component TruSpine Technologies Plc ("Parent Company"), which for the year ended 29 March 2024, was located in the United Kingdom. Analytical procedures were performed on components that were not considered significant nor material to the users of these financial statements.

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 our scope addressed this matter
Recognition and carrying value of development costs and ownership of the Intellectual Property ("IP") (Note 12)	
The carrying value of the group's Intellectual Property ('IP') at 29 March 2024 represents a significant proportion of the group's total assets. This relates to the development of the entities' product lines and their relevant patents which will be the driver of future revenue and is the whole foundation and core of the business. IP should be recognised in accordance with IAS 38 and there is a risk of incorrect initial valuation, subsequent	Our work in this area included: Updating our understanding of the group's policy of capitalising development costs and ensuring that the policy is in line with IAS 38;

carrying value and recognition of development costs capitalised. There is a risk that the assets may be impaired, resulting in incorrect valuation at the Balance Sheet date. In addition, there is a risk that the IP ownership does not actually lie with the company and thus the right to use the asset would not sit with the group. The assessment requires areas of management judgement and estimation uncertainty, and therefore has been assessed as a key audit matter.	• Performing substantive testing on a sample of additions, vouching to supporting invoices and ensuring they have been appropriately capitalised; • Challenging management's assumptions on the valuation and criteria for capitalisation; • Reviewing costs that fall under research costs and not development and assessing the appropriate classification; • Obtaining evidence from management of their continued existence, reviewing management's assessment of potential impairment, including challenging inputs used by management; • Obtaining IP ownership documentation to gain assurance over the rights to the asset; and • Obtaining supporting documentation for applications submitted to the FDA, reviewing responses received and advisors' correspondence on the application process to demonstrate appropriate valuation of intangible assets. Based on the procedures performed, we noted that the FDA approval remains uncertain at the date of this report. If approval was not to be obtained, this could impact the carrying value of the Group's Intangible Assets
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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 contained within the annual report. Our opinion on the 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 statement of directors' responsibilities, the directors are responsible for the preparation of the 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 financial statements, the directors are responsible for assessing the 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, AQUIS Listing Rules, Bribery Act 2011, UK employment laws, UK tax legislation and QCA Code.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - Enquires of management;
 - Review of board minutes and RNS announcements; and
 - Review of legal and professional fees incurred in the year.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls the carrying value of intangible assets. We addressed this by challenging the estimates made by management as referred to in the key audit matter section above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In this context we view the significant estimates as being the key assumptions underlying the value in use calculations in the assessment of the potential for intangible assets impairment.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Nicholas Joel

Nicholas Joel (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
27 September 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

	Note	Year ended 29 March 2024 £	Year ended 29 March 2023 £
Administrative expenses		(656,406)	(845,818)
Operating loss		(656,406)	(845,818)
Finance expense	9	(45,288)	(7,643)
Loss before tax		(701,694)	(853,461)
Tax credit	10	141,186	199,007
Loss		(560,508)	(654,454)
Loss attributable to:			
Owners of the parent		(560,508)	(654,454)
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange translation differences on foreign operations		(3,241)	3,237
Total comprehensive income		(563,749)	(651,217)
Total comprehensive income attributable to equity shareholders		(563,749)	(651,217)
Earnings per share basic and diluted (pence)	11	(0.47)p	(0.57)p

All operations are continuing.

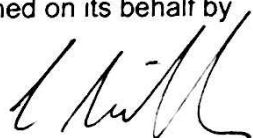
The notes on pages 34 to 60 are an integral part of these financial statements

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 29 MARCH 2024

	Note	Year ended 29 March 2024 £	Year ended 29 March 2023 £
Non-current assets			
Intangible assets	12	3,568,216	3,461,226
Tangible fixed assets	13	1,906	3,324
		3,570,122	3,464,551
Current assets			
Trade and other receivables	15	193,941	215,239
Cash and cash equivalents	16	124,646	24,276
		318,587	239,515
Total assets		3,888,710	3,704,066
Current liabilities			
Trade and other payables	17	904,799	657,768
Borrowings	17	297,605	73,556
		1,202,404	731,324
Non-current liabilities			
Borrowings	18	136,573	200,000
		136,573	200,000
Total liabilities		1,338,977	931,324
Net assets		2,549,733	2,772,742
Equity attributable to owners of the parent			
Share capital	20	13,933	11,795
Share premium	20	4,846,460	4,535,069
Share based payment reserve	21	98,641	71,430
Other reserves	20	(205,000)	(205,000)
Translation reserve		(24,027)	(20,786)
Retained earnings		(2,180,274)	(1,619,766)
Total equity attributable to owners of the parent		2,549,733	2,772,742
Total equity		2,549,733	2,772,742

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2024 and were signed on its behalf by

G R Miller
Director



The notes on pages 34 to 60 are an integral part of these Financial Statements.

	Share capital £	Share premium £	Share based Payment Reserve £	Other reserves £	Translation reserve £	Retained earnings £	Total £
Balance as at 29 March 2022	10,175	3,782,215	44,219	(205,000)	(24,023)	(965,312)	2,642,274
Loss for the year	-	-	-	-	-	(654,454)	(654,454)
Other comprehensive income	-	-	-	-	3,237	-	3,237
Total comprehensive income for the year	-	-	-	-	3,237	(654,454)	(651,217)
Issue of shares, net of issue costs	1,620	780,065	-	-	-	-	781,685
Share based payment charge	-	(27,211)	27,211	-	-	-	-
Transactions with owners, recognised directly in equity	1,620	752,854	27,211	-	-	-	781,685
Balance as at 29 March 2023	11,795	4,535,069	71,430	(205,000)	(20,786)	(1,619,766)	2,772,742
Balance as at 29 March 2023	11,795	4,535,069	71,430	(205,000)	(20,786)	(1,619,766)	2,772,742
Loss for the year	-	-	-	-	-	(560,508)	(560,508)
Other comprehensive income	-	-	-	-	(3,241)	-	(3,241)
Total comprehensive income for the period	-	-	-	-	(3,241)	(560,508)	(563,749)
Issue of shares, net of issue costs	2,138	338,602	-	-	-	-	340,740
Share based payment charge	-	(27,211)	27,211	-	-	-	-
Transactions with owners, recognised directly in equity	2,138	311,391	27,211	-	-	-	340,740
Balance as at 29 March 2023	13,933	4,846,460	98,641	(205,000)	(24,027)	(2,180,274)	2,549,733

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

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

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

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.

Share based payment reserve - amount arising on the issue of warrants and share options which are exercisable at the statement of financial position date.

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 34 to 60 are an integral part of these Financial Statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 MARCH 2024**

	Note	Year ended 29 March 2024 £	Year ended 29 March 2023 £
Cash flows from operating activities			
Loss before tax		(701,694)	(850,224)
<i>Adjustments for:</i>			
Depreciation and amortisation		1,418	21,421
Gain on derecognition of Right of use asset		-	1,831
Decrease/(Increase) in trade and other receivables		21,298	(141,716)
Increase in trade and other payables		247,030	83,189
Decrease in digital assets		-	82,474
Cash used in operations		(431,948)	(803,025)
Income tax credit		141,186	199,007
Net cash flows from operating activities		(290,762)	(604,018)
 Investing activities			
Purchase of intangible assets		(106,989)	(363,072)
Purchase of tangible assets		-	(707)
Net cash used in investing activities		(106,989)	(363,779)
 Financing activities			
Proceeds from Issue of shares, net of issue costs		340,740	781,685
Proceeds from loan finance		187,073	235,000
Repayments of loans		(26,451)	(3,944)
Lease payments		-	(24,139)
Net cash generated from financing activities		501,362	988,602
 Net increase/(decrease) in cash and cash equivalents		103,611	20,805
 Cash and cash equivalents at beginning of period		24,276	3,471
Exchange rate differences on cash and cash equivalents		(3,241)	-
Cash and cash equivalents and end of period	16	124,646	24,276

The notes on pages 34 to 60 are an integral part of these Financial Statements.

	Note	Year ended 29 March 2024 £	Year ended 29 March 2023 £
Non-current assets			
Intangible assets	12	3,426,684	3,327,066
Tangible assets	13	1,906	3,324
		3,428,590	3,330,390
Current assets			
Trade and other receivables	15	576,362	580,881
Cash and cash equivalents	16	124,646	24,276
		701,0082	605,157
Total assets		4,129,598	3,935,547
Current liabilities			
Trade and other payables	17	902,352	642,942
Borrowings	17	297,605	73,556
		1,199,958	716,498
Non-current liabilities			
Borrowings	18	136,573	200,000
		136,573	200,000
Total liabilities		1,336,531	916,498
Net assets		2,793,067	3,019,049
Equity attributable to owners of the parent			
Share capital	20	13,933	11,795
Share premium	20	4,846,460	4,535,069
Share based payment reserve	21	98,641	71,430
Other reserves	20	(205,000)	(205,000)
Translation reserve		(18,906)	(12,511)
Retained earnings		(1,942,061)	(1,381,734)
Total equity attributable to owners of the parent		2,793,067	3,019,049
Total equity		2,793,067	3,019,049

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 for the Parent Company for the year was £560,327 (2023: £654,149).

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2024 and were signed on its behalf by



G R Miller
Director

The notes on pages 34 to 60 are an integral part of these Financial Statements.

TRUSPINE TECHNOLOGIES PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 MARCH 2024

		Share capital	Share premium	Share based Payment reserve	Other reserves	Translation reserve	Retained earnings	Total
Note		£	£	£	£	£	£	£
Balance as at 29 March 2022		10,175	3,782,215	44,219	(205,000)	(12,511)	(727,585)	2,891,513
Loss for the year		-	-	-	-	-	(654,149)	(654,149)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	(654,149)	(654,149)
Issue of shares, net of issue costs		1,620	780,065	-	-	-	-	781,685
Share based payment reserve		-	(27,211)	27,211	-	-	-	-
Transactions with owners, recognised directly in equity		1,620	752,854	27,211	-	-	-	781,685
Balance as at 29 March 2023		11,795	4,535,069	71,430	(205,000)	(12,511)	(1,381,734)	3,019,049
Balance as at 29 March 2023		11,795	4,535,069	71,430	(205,000)	(12,511)	(1,381,734)	3,019,049
Loss for the year		-	-	-	-	-	(560,327)	(560,327)
Other comprehensive income		-	-	-	-	(6,395)	-	(6,395)
Total comprehensive income for the period		-	-	-	-	(6,395)	(560,327)	(566,722)
Issue of shares, net of issue costs		2,138	338,602	-	-	-	-	340,740
Share based payment reserve		-	(27,211)	27,211	-	-	-	-
Transactions with owners, recognised directly in equity		2,138	311,392	27,211	-	-	-	340,740
Balance as at 29 March 2024		13,933	4,846,460	98,641	(205,000)	(18,906)	(1,942,061)	2,793,067

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

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

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

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.

Share based payment reserve - amount arising on the issue of warrants and share options which are exercisable at the statement of financial position date.

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 34 to 60 are an integral part of these Financial Statements.

	Note	Year ended 29 March 2024 £	Year ended 29 March 2023 £
Cash flows from operating activities			
Loss before tax		(707,907)	(853,156)
<i>Adjustments for:</i>			
Depreciation and amortisation		1,418	21,421
Gain on derecognition of Right of use asset		-	1,831
Decrease/(increase) in trade and other receivables		4,519	(201,816)
Increase in trade and other payables		259,410	108,585
Decrease in digital assets		-	82,474
Cash used in operations		(442,560)	(840,661)
Income taxes credit		141,186	199,007
Net cash flows used in operating activities		(301,374)	(641,654)
Investing activities			
Purchase of intangible assets		(99,618)	(325,436)
Purchase of tangible assets		-	(707)
Net cash used in investing activities		(99,618)	(326,143)
Financing activities			
Proceeds from Issue of shares, net of issue costs		340,740	781,685
Proceeds from loan finance		187,073	235,000
Repayments of loans		(26,451)	(3,944)
Lease payments		-	(24,139)
Net cash generated from financing activities		501,362	988,602
Net increase/(decrease) in cash and cash equivalents		100,370	20,805
Cash and cash equivalents at beginning of period		24,276	3,471
Cash and cash equivalents and end of period	17	124,646	24,276

The notes on pages 34 to 60 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 company, limited by shares, 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 these Financial Statements 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 Statements of TruSpine Technologies Plc has been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006. The Consolidated Financial Statements has also been prepared under the historical cost convention but is adjusted to fair value where appropriate.

The Financial Statements are presented in UK Pounds Sterling rounded to the nearest pound.

The preparation of Financial Statements in conformity with UK adopted International accounting standards 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 Statements 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*

The Group has adopted all recognition, measurement and disclosure requirements of IFRS, including any new and revised standards and interpretations of IFRS, in effect for annual periods commencing 30 March 2023. The adoption of these standards and amendments did not have a material impact on the financial result of the position of the Group.

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

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 (Amendments)	Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024
IAS 1 (Amendments)	Disclosures: Supplier Finance Arrangements	1 January 2024
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2024
IAS 16 (Amendments)	Lease Liability in a sale and leaseback	1 January 2024
IAS 1 (Amendments)	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024

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.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. 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 a period of at least twelve months from the date of approval of the Financial Statements and perform scenario planning thereon. This information includes management prepared cash flows forecasts and available sources of funding.

In prior years the Company raised £1.4m at the time of the Company's Listing and an additional £620,500 in the year to March 2021. In the year to March 2022 the Company raised £728,000 by share subscriptions and shares issued to settle liabilities. In the year to March 2023 it raised funds of £700,000 by way of share subscriptions and a £200,000 loan that became a convertible loan in the year to March 2024 and subsequently converted into shares in June 2024. In the year to March 2024 further funds of £340,740 have been raised by way of share subscriptions and £186,573 by way of convertible loan notes the monies being used to further fund the Company's development programme and ongoing working capital requirements.

The Company is in advanced discussions with third party lenders in relation to potential funding. Management have considered a variety of scenarios in reaching their going concern conclusion following their 510(k)-submission including consideration of the success of achieving FDA approval and their ability to raise money.

Based on these scenarios and the Board's assessment that the Company will be able to raise additional funds, as and when required, to meet its working capital and development expenditure requirements prior to commercialisation, the Board of Directors have concluded that they 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 Statements however as a result of the requirement to raise funds, there is a material uncertainty to the Group's going concern position. If the Company was unable to obtain this additional funding, then the company would no longer be a going concern.

2.5. 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 Company 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.

c) Consolidation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Truspine Technologies Plc at the rate of exchange ruling at the balance sheet date and their Income Statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

2.6. 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

2.7. 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.

2.8. Impairment of Non-Financial Assets

Intangible 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.

Digital assets were disposed of during the year ended 29 March 2023.

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. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and condition of equity settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

2.13. 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.

2.14. 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.

2.15. Earnings per share

Basic and diluted earnings per share is calculated by dividing:

- the loss 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 20).

2.16. Leased assets

At the commencement date of a lease, the Group recognises a lease liability at fair value, which is the present value of future lease payments made over lease term. The lease liability comprises fixed payments, less any lease incentives, less estimated restoration costs that would be payable upon exit of the lease. Short-term leases and low value are expensed to the Statement of Comprehensive Income on a straight-line basis over the life of the lease. Short-term leases are leases with a term of 12 months or less. Low value leases are those with a total lease value of less than £5,000.

In calculating the present value, lease payments are discounted using the discount rate implicit in the lease, if available, alternatively, if that rate cannot be readily determined, the Group's incremental borrowing rate is used. Subsequently, the lease liability is increased to reflect the accretion of interest and reduced by payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification to the lease.

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. The cost of right of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets which are consistent with those shown in the Property, Plant and Equipment accounting policy.

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 16), cash (see note 18) and trade and other payables (see note 19). 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 counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group and Parent Company's receivables from third parties. 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.

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.

At Company level, there is the risk of impairment of inter-company receivables if the full amount is not deemed as recoverable from the relevant subsidiary company. These amounts are written down when their deemed recoverable amount is deemed less than the current carrying value

Market risk - Foreign exchange risk

The Group is exposed to market risk, primarily relating to foreign exchange from its US subsidiary operation and to US suppliers. 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.

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.

Capitalisation of Intangible Assets – Development Costs (note 12)

The Directors make judgements in respect as to when development costs are capitalised. The judgements made give specific consideration of the requirements of IAS 38 “Intangible Assets” including judgements over the commerciality of the products and success in achieving regulatory approval.

Valuation of intangible assets (note 12)

The directors considered whether any impairments were required on the value of the development costs capitalised in intangible assets, 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. They also include judgements about the products obtaining the necessary regulatory approvals in terms of assessing the quality and attributes of the products and their likelihood of success after undergoing the examination and testing processes required to obtain clearance. There is also a judgement as to their suitability and acceptability in terms of it being a novel yet safe product and that it can function in these terms when compared with a predicate comparable device in that it will and can perform at least as well as the accepted predicate device. The directors have concluded that no impairment charge is necessary.

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 29 March 2024	UK £	USA £	Total £
Loss from operations per reportable segment	(656,240)	(166)	(656,406)
Depreciation	(1,418)	-	(1,418)
Finance cost	(45,272)	(16)	(45,288)
Income tax	141,186	-	141,186
Additions to non-current assets	99,618	7,371	106,989
Reportable segment assets	3,747,178	141,532	3,888,710
Reportable segment liabilities	(1,336,531)	(2,446)	(1,338,977)
Year to 29 March 2023	UK £	USA £	Total £
Loss from operations per reportable segment	(845,513)	(305)	(845,818)
Depreciation	(1,566)	-	(1,566)
Finance cost	(7,642)	-	(7,642)
Income tax	199,007	-	199,007
Additions to non-current assets	325,437	37,635	363,072
Reportable segment assets	3,569,905	134,161	3,704,066
Reportable segment liabilities	(916,498)	(14,826)	(931,324)

6. Expenses by nature

Group	Year ended 29 March 2024 £	Year ended 29 March 2023 £
Consultancy fees	99,167	188,552
Salaries	277,969	240,333
Professional and legal costs	188,548	200,035
Marketing & PR	7,750	46,955
Website costs	5,310	4,340
Office costs	4,343	31,043
Premises costs	10,480	47,159
Travel, entertainment and subsistence costs	16,474	11,398
Meeting expenses	217	274
Insurance	12,512	13,460
Other Administration expenses	33,636	62,269
	656,406	845,818

7. Auditor's Remuneration*Services provided by the group's auditor and its associates*

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

	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Parent Company and consolidated financial statements	38,500	35,000
	38,500	35,000

8. Employee benefits expenses

The number of employees were as follows:

Number of Employees

	Year ended 29 March 2024	Year ended 29 March 2023
Group and Company		
Directors	2	2
Employees	1	1

All of the research and development was completed by external consultants, whose costs are shown in Note 6. Other directors provided consultancy services to the Group, details of their remuneration are detailed below. All amounts are short term in nature:

	Year ended 29 March 2023	Year ended 29 March 2023
	£	£
Geoffrey Miller	4,167	-
Ian Roberts	-	100,000
Laurence Strauss	136,667	8,333
Norman Lott	60,000	60,000
Martin Armstrong	-	12,000
Annabel Schild	-	12,000
Dr Timothy Evans	12,000	12,000
Nick Patel	12,000	12,000
Samuel Ogunsalu	2,500	-
Victoria Sena	3,333	-
Employees Salaries	75,205	32,333
Employers NIC	25,414	18,815
	331,286	267,481

The average number of directors in the year to 29 March 2024 was 5 (2023: 6).

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 29 March 2024	Year ended 29 March 2023
	£	£
Other interest expense	44,045	3,628
Bank and finance charges	1,243	4,015
	45,288	7,642

10. Taxation**Tax recognised in profit or loss**

Group	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
Current tax credit	141,186	199,007
Deferred tax	-	-
Net tax credit	141,186	199,007

	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
Loss before tax	(701,694)	(853,461)
Standard rate of UK corporation tax	19%	19%
Loss on ordinary activities before tax multiplied by standard rate UK corporation tax	(133,322)	(162,158)
Unrelieved tax losses carried forward	133,322	162,158
UK research and development tax credit	141,186	199,007
Tax credit	141,186	199,007

At 29 March 2024, the Group are carrying forward estimated tax losses of £2.21m (2023: £2.07m) 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 loss 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. Diluted EPS is not shown as the Group is loss making.

	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
Loss attributable to equity holders of the Company	(560,508)	(654,454)
Weighted average number of ordinary shares in issue	120,346,774	115,516,050
Earnings per share basic and diluted (pence)	(0.47)	(0.57)

12. Intangible assets

	Software Development	Development costs	Development costs	Development costs	Patent rights	Total
		Cervi-LOK	Faci-LOK	GRASP		
Group	£	£	£	£	£	£
Cost						
As at 30 March 2022	206,000	1,674,099	423,874	486,529	307,653	3,098,155
Additions	-	354,815	-	-	8,256	363,071
Disposals	-	-	-	-	-	-
As at 29 March 2023	206,000	2,028,914	423,874	486,529	315,909	3,461,226
Additions	-	55,666	-	-	51,324	106,990
Disposals	-	-	-	-	-	-
As at 29 March 2024	206,000	2,084,580	423,874	486,529	367,233	3,568,216
Amortisation/Impairment						
As at 30 March 2023	-	-	-	-	-	-
As at 29 March 2024	-	-	-	-	-	-
Net book value						
As at 29 March 2023	206,000	2,028,912	423,874	486,529	315,909	3,461,226
As at 29 March 2024	206,000	2,084,580	423,874	486,529	367,233	3,568,216

	Software Development	Development costs	Development costs	Development costs	Patent rights	Total
		Cervi-LOK	Faci-LOK	GRASP		
Company	£	£	£	£	£	£
Cost						
As at 30 March 2022	206,000	1,605,966	423,874	486,529	279,261	3,001,630
Additions	-	319,023	-	-	6,414	325,437
Disposals	-	-	-	-	-	-
As at 29 March 2023	206,000	1,924,989	423,874	486,529	285,675	3,327,067
Additions	-	47,561	-	-	52,056	99,617
Disposals	-	-	-	-	-	-
As at 29 March 2024	206,000	1,972,550	423,874	486,529	337,731	3,426,684
Amortisation/Impairment						
As at 30 March 2023	-	-	-	-	-	-
As at 29 March 2024	-	-	-	-	-	-
Net book value						
As at 29 March 2023	206,000	1,924,989	423,874	486,529	285,675	3,327,067
As at 29 March 2024	206,000	1,972,550	423,874	486,529	337,731	3,426,684

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 2.7.

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 conservative discount rate of 20% based on the cost of capital. The resultant net present values calculated are well in excess of the carrying value of the intangible assets and as of 29 March 2024, no impairment is necessary.

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. Tangible assets

Group	Office equipment £	Furniture and Fixtures £	Total £
Cost			
As at 30 March 2022	2,469	4,298	6,767
Additions	707	-	707
Disposals	-	-	-
As at 29 March 2023	3,176	4,298	7,474
Additions	-	-	-
Disposals	-	-	-
As at 29 March 2024	3,176	4,298	7,474
Accumulated depreciation			
As at 30 March 2022	1,236	1,348	2,584
Charge for the year	707	859	1,566
As at 29 March 2023	1,943	2,207	4,150
Charge for the year	558	860	1,418
As at 29 March 2024	2,501	3,067	5,568
Net book value			
As at 29 March 2023	1,233	2,091	3,324
As at 29 March 2024	675	1,231	1,906

Company	Office equipment £	Furniture and Fixtures £	Total £
Cost			
As at 30 March 2022	2,469	4,298	6,767
Additions	707	-	707
Disposals	-	-	-
As at 29 March 2023	3,176	4,298	7,474
Additions	-	-	-
Disposals	-	-	-
As at 29 March 2024	3,176	4,298	7,474
Accumulated depreciation			
As at 30 March 2022	1,236	1,348	2,584
Charge for the year	707	859	1,566
As at 29 March 2023	1,943	2,207	4,150
Charge for the year	558	860	1,418
As at 29 March 2024	2,501	3,067	5,568
Net book value			
As at 29 March 2023	1,233	2,091	3,324
As at 29 March 2024	675	1,231	1,906

14. Investment in Subsidiaries

	Year ended 29 March 2024	Year ended 29 March 2023
Company	£	£
Brought forward	-	-
Additions	-	-
Cost at 29 March 2024	-	-

The following are the principal subsidiaries of the Company:

Name of company	Principal Place of Business	Registered office address	Parent company	Class of shares	Share capital held	Nature of business
TruSpine Technologies International Limited	England & Wales	Spectrum House Af33 Beehive Ring Road, London Gatwick Airport, Gatwick, England, RH6 0LG	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing spinal fusion products
TruSpine Technologies International Inc	United States of America	90 State Street, Suite 700, Albany NY, 1220, USA	TruSpine Technologies Limited	Ordinary	100%	Medical Devices Company developing spinal fusion products

15. Trade and other receivables

	Group Year ended 29 March 2024	Group Year ended 29 March 2023	Company Year ended 29 March 2024	Company Year ended 29 March 2023
	£	£	£	£
VAT receivable	5,005	10,143	5,005	10,143
Other receivables	188,936	205,096	187,750	205,096
Amount due from subsidiary company	-	-	382,421	365,642
	193,941	215,239	575,176	580,881

Other receivables include monies owed by HMRC for the R&D Tax credit of £141,186 (2023: £199,007) and subscribers to shares issued on 14 March 2024 received in April.

16. Cash and cash equivalents

	Group and Company	
	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
Cash at bank and in hand	124,646	24,276
	124,646	24,276

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.

17. Trade and other payables

	Group Year ended 29 March 2024 £	Group Year ended 29 March 2023 £	Company Year ended 29 March 2024 £	Company Year ended 29 March 2023 £
Trade payables	444,464	379,248	442,018	364,422
Loans	297,605	73,556	297,605	73,556
Accruals	246,574	124,873	246,574	124,873
Other payables	213,761	153,647	213,761	153,647
	1,202,404	731,324	1,199,958	716,498

Loan movements

	Group Year ended 29 March 2024 £	Group Year ended 29 March 2023 £	Company Year ended 29 March 2024 £	Company Year ended 29 March 2023 £
Opening balance	73,556	42,500	73,556	42,500
Borrowings during the period	50,500	35,000	50,500	35,000
Transfer from long term loans	200,000	-	200,000	-
Repayments of loans	(26,451)	(3,944)	(26,451)	(3,944)
	297,605	73,556	297,605	73,556

The Company obtained a bounce bank loan through the government scheme from HSBC Bank Plc. Interest is charged on the loan at a rate of 2.5%. The loan is unsecured and is repayable in monthly instalments over a period of 5 years.

The Company entered into a £50,000 convertible loan note ("CLN") agreement with Martin Armstrong the former Non-Executive Chairman of the Company on 14 February 2024. The CLN was issued on an interest free basis with a maturity date of 31 January 2025 and is unsecured. At the discretion of the Company or lender the CLN is convertible into new ordinary shares of 0.01 pence each in the Company at a price of 2.5 pence per new ordinary share. Martin Armstrong is considered a "Related Party" as a result of being a director of Truspine within 12 months of the CLN agreement being entered into.

The £200,000 loan from The HUB 2021 Ltd previously shown as long term has now been reclassified as short term as the loan was reclassified as convertible loan notes and was converted into ordinary shares on 5 June 2024 (see note18 for more detail).

18. Long Term Loans

Group and Company	29 March 2024 £	29 March 2023 £
Brought forward	200,000	-
Borrowings during the period	136,573	200,000
Transfer to short term loans	(200,000)	-
Carried forward	136,573	200,000

On 27 February 2023, the Company obtained a loan of £200,000 from The HUB 2021 Ltd bearing an interest rate of 12% per annum and the Company granted a debenture in favour of the Lender carrying a fixed and floating charge over the Company's intellectual property as security for the Company's obligations under the Loan. The Company and the Lender entered into an agreement, where it was agreed the principal amount of the loan was required to be repaid to subscribe for CLNs under the terms of the CLN Instrument whereby the notes were convertible into ordinary shares at a price of 1.5 pence per share. The outstanding loan was discharged, and the charge released at Companies House. On 5 June 2024 the Company elected to convert the Lender CLN Subscription of £200,000 into 13,333,333 new ordinary shares at a price of 1.5 pence per share. The loan has been reclassified as short term as it was converted on 5 June 2024.

The Company approved the issue of a CLN for up to £1,500,000 and received £136,537 of a subscription under the CLN from Geoff Miller a director of the Company, the terms of which were as follows:

Interest rate: nil

Conversion price: 1.5 p

Redemption date: 30 June 2024 (post year end updated to 30 June 2025)

19. Financial risk management*Foreign Exchange*

The Group operates internationally and is exposed to foreign exchange risk arising from commercial transactions, translation of assets and liabilities and net investments in foreign operations. Exposure to commercial transactions arises from purchases by operating companies in currencies other than the companies' functional currency. Currency exposures are reviewed regularly. The Group considers having an immaterial exposure to foreign exchange risk due to the current limited balances held within the Group's overseas entities and as a result has not disclosed the impact of foreign exchange movements thereon as they do not consider them to be material.

Interest rate risk

Interest rate risk refers to the risk that fluctuations in interest rates cause losses to the Company. The Group and Company have no exposure to interest rate risk except on cash and cash equivalent which carry variable interest rates. There is no interest on the convertible loan notes.

At 29 March 2024, the Group and Company has a GBP bank loan of £32,105 (2023: £38,556) at a rate of 2.5% per annum. Given the quantum of the balances the board do not consider that any reasonable considered changes to interest rates would materially impact the loan interest payable and as such have not been disclosed.

As detailed above the Convertible Loan Notes carry a nil interest rate.

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.

Liquidity risk refers to the risk that the Company has insufficient cash resources to meet working capital requirements. The Group and Company manages its liquidity requirements by using both short- and long-term cash flow projections and raises funds through debt or equity placings as required. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements.

The Group closely monitors and manages its liquidity risk. Cash forecasts are regularly produced, and sensitivities run for different scenarios. The profile of what the Group consider to be its key payable/debt profile is as follows:

	Group 2024	Group 2023	Company 2024	Company 2023
	£	£	£	£
Categorisation of Borrowings				
Less than six months – Loans and borrowings	200,000	-	200,000	-
Less than six months – Trade and other payables	904,799	657,768	902,352	642,942
Between six months and a year	97,605	73,556	97,605	73,556
Over one year	136,573	200,000	136,573	200,000

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.

Financial instruments by category

	Financial assets at amortised cost 29 March 2024	Financial liabilities at amortised cost 29 March 2024	Financial assets at amortised cost 29 March 2023	Financial liabilities at amortised cost 29 March 2023
	£	£	£	£
Group				
Categorisation of Financial Assets and Liabilities				
Other receivables	192,755	-	205,096	-
Cash and cash equivalents	124,642	-	24,276	-
Interest-bearing loans and borrowings	-	47,605	-	273,556
Convertible loan notes	-	386,573	-	-
Trade and other payables	-	904,799	-	657,768

	Financial assets at amortised cost 29 March 2024	Financial liabilities at amortised cost 29 March 2024	Financial assets at amortised cost 29 March 2023	Financial liabilities at amortised cost 29 March 2023
	£	£	£	£
Company				
Categorisation of Financial Assets and Liabilities				
Other receivables	192,755	-	205,096	-
Cash and cash equivalents	124,642	-	24,276	-
Amount due from subsidiary Company	382,421	-	365,642	-
Interest-bearing loans and borrowings	-	47,605	-	273,556
Convertible loan notes	-	386,573	-	-
Trade and other payables	-	902,352	-	642,942

20. Equity and other reserves

Group	Group and Company					
	Number of shares	Share capital £	Share premium £	Share based payment reserve £	Other reserves £	Total £
Issued and fully paid						
As at 29 March 2022	102,113,869	10,175	3,782,215	44,219	(205,000)	3,631,609
Movement during the year	16,198,000	1,620	752,854	27,211	-	781,685,101
As at 29 March 2023	118,311,869	11,795	4,535,069	71,430	(205,000)	4,413,294
Movement during the year	21,382,698	2,138	311,391	27,211	-	340,740
As at 29 March 2024	139,694,567	13,933	4,846,460	98,641	(205,000)	4,754,034

No new warrants were granted during the year and 16,000,000 were surrendered as detailed below. The total number of outstanding warrants granted amount to 14,737,789 as at 29 March 2024.

On 15 August 2023 the Company raised £50,000 before costs through a Subscription of 2,000,000 new Ordinary shares at a price of 2.5p per share.

On 14 March 2024

- a) the Company raised £290,740 through the issue of 19,382,698 new ordinary shares at a price of 1.5p per share. Geoff Miller, a director of the Company subscribed for 7,561,828 new ordinary shares in the fundraise amounting to £113,427. Following Admission, the total number of ordinary shares in the Company was 139,694,567.
- b) approved an unsecured convertible loan note to the value of up to £1,500,000, of which Geoff Miller, a director of the Company subscribed for £136,573 of the CLNs at a conversion price of 1.5p. The redemption date was originally set at 30 June 2024 but an extension to 30 June 2025 was subsequently agreed in July 2024
- c) entered into warrant surrender deeds with certain warrant holders of the Company over 16,000,000 new ordinary shares. Norman Lott and Nikunj Patel directors of the Company participated in the Warrant Surrender as follows
 - Norman Lott 200,000 warrants at an exercise price of 7.5p
 - Nikunj Patel 1,000,000 warrants at an exercise price of 7.5p
- d) Although surrendered, the Company had agreed to issue the warrant holders warrants over 16,000,000 new ordinary shares which will be exercisable in perpetuity. The issuance of the New Warrants is conditional on shareholder approval at a general meeting.

21. Share based payments

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. The warrants were granted in return for services carried out in relation to the listing of the Company on 20 August 2020 on the Aquis Stock Exchange Growth Market. As a result of this the fair value of the share options was determined at the date of the grant using the Black Scholes model, using the following inputs:

Share price at the date of amendment	36p
Strike price	36p
Volatility	50%
Expected life	1,825 days
Risk free rate	0.5%

The share-based payment charge for these warrants for the year to 29 March 2024 was £27,211, which has been taken to the share-based payment reserve and the resultant fair value of the warrants as at 29 March 2024 was determined to be £98,641 (2023: £71,430).

During the year the Company issued no new warrants (2023: 16,250,000).

Details on the warrants outstanding at the year-end are as follows:

	No of warrants	Weighted average exercise price	Weighted average contracted life
At 29 March 2023	30,737,789	10.92p	3 years
Warrants surrendered – 14 March 2024	(16,000,000)	7.4p	3 years
At 29 March 2024	14,737,789	16.10p	

22. 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.

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments, which fall due as follows:

	2024 £	2023 £
Land and buildings		
Within one year	-	1,271
Within 2-5 years	-	-
Total	<u>-</u>	<u>1,271</u>

Commitments represent rentals payable by the Company for its office properties on short term and low value leases.

23. Related parties

The following transactions were carried out with related parties:

Directors' transactions

The non-executive directors provided consultancy services to the Company, details of their remuneration are covered in note 8.

On 15 August 2023 Geoff Miller and Samuel Ogunsalu, before they were appointed Directors, subscribed for 1,800,000 and 200,000 ordinary new ordinary shares respectively at 2.5p amounting to £45,000 and £5,000.

On 14 February 2024 the Company entered into a £50,000 convertible loan note with Martin Armstrong the former Chairman of the Company (Note 17)

On 14 March 2024, Geoff Miller, a director of the Company subscribed for 7,561,828 new ordinary shares at 1.5p in the fundraise amounting to £113,427 (Note 20). He also subscribed for £136,573 of CLNs (Notes 18 and 20).

On the same date Norman Lott and Nikunj Patel, directors of the Company participated in the Warrant Surrender and New Warrants as set out above (Note 21):

Director	Warrants surrendered under the Warrant Surrender	Exercise Price
Norman Lott	200,000	7.5p
Nikunj Patel	1,000,000	7.5p

Loans to OPP systems Limited

OPP Systems Limited was a related party of the Group because Norman Lott was a director of the company for part of the previous financial year, he resigned on 21 December 2022.

Loan funds were previously extended to OPP Systems Limited by the Company. The amounts payable at each period end are as follows:

	Year ended 29 March 2024	Year ended 29 March 2023
	£	£
OPP Systems Limited		
29 March 2023	2,000	55,000
Amount repaid	(2,000)	(28,000)
Amount written off	-	(25,000)
OPP Systems Limited	-	2,000

Transactions with Copian Capital Partners Limited

Copian Capital Partners Limited was a related party of the Group because Norman Lott was a director of the company, he resigned on 14 February 2023.

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 in the year to 29 March 2023 during which it was a related party as detailed below:

	Year ended 29 March 2023
	£
Services charged by Copian Capital Partners Limited	53,439
Balance owed by the Company to Copian Capital Partners Limited	156

24. Ultimate controlling parties

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

25. Events after the reporting date

On 24 May 2024 Geoff Miller, the Non-Executive Chairman of the Company, entered into an agreement with LCS Trust and Frank Boehm, the inventor of the proprietary spine stabilisation technologies being developed by TruSpine, whereby LCS Trust agreed to transfer 2,500,000 ordinary shares at a price of 1.5 pence per share, for an aggregate consideration of £37,500, to Geoff Miller.

On 5 June 2024 the Company elected to convert Hub 21 CLN Subscription of £200,000 into 13,333,333 new ordinary shares at a price of 1.5 pence per share ("CLN Shares") pursuant to the terms of the CLN. Following Admission, the total number of ordinary shares in the Company was 153,027,900.

On 25 June 2024 the Company signed Heads of Terms for a European partnership with HD Hospital Device S.R.L. ("HD"), a long-established medical device business in Italy. The signed Heads of Terms outlines a plan for TruSpine and HD to work together on research and development, developing a European business plan to include potential distribution and manufacturing agreements, subject to agreement on final commercial terms between the two companies.

On 24 July 2024 the Company extended the maturity date of the convertible loan note ("CLN") with Geoff Miller, the Non-Executive Chairman from 30 June 2024 to 30 June 2025. All other terms of the CLN remain unchanged.