



**Allwellness Holdings Group Limited (Formerly known as Allwellness
Pharmaceutical Pty Limited)**

ABN: 42 604 613 050

**Financial Report
For the Year Ended
30 June 2016**

Walker Wayland NSW
Chartered Accountants
Sydney, New South Wales

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

DIRECTORS' REPORT

Your directors present their report on the consolidated entity ("group") for the financial year ended 30 June 2016.

Directors

The name of the directors in office at any time during or since the end of the year is:

Mr Yong Zhang (appointed 6 March 2015)
Mr Chen Wang (appointed 1 December 2016)
Mr Yilong Shan (appointed 1 December 2016)

Review of Operations and Financial Results

The loss of the consolidated entity for the financial year after providing for income tax amounted to \$98,506 (2015: loss of \$5,201).

Principal Activities

The principal activities of the group during the financial year included exporting health care products to China. There has been no significant change in the nature of these activities during the year.

Events Subsequent to the End of the Reporting Period

Subsequent to year end, on 7 December 2016 Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) raised capital via the issue of 740,865 shares at \$1 each raising a total of \$740,865.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the group.

Environmental Regulations

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

There were no dividends paid or declared since the start of the financial year.

Options

There were no options issued during the current year.

Indemnifications of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.


The company was not a party to any such proceedings during the year.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 2.

Signed in accordance with a resolution of the Board of Directors:

Director


Mr Yong Zhang

Dated this 31st day of March 2017



Walker Wayland NSW
Chartered Accountants

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**AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS
ALLWELLNESS PHARMACEUTICAL PTY LIMITED)**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2016 there have been:

- (i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Walker Wayland NSW'.

Walker Wayland NSW
Chartered Accountants

A handwritten signature in black ink that appears to read 'Wali Aziz'.

Wali Aziz
Principal

Dated this 13th day of April 2017

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated Group	
		Year Ended 30 June 2016	Period Ended 30 June 2015
		\$	\$
Sales revenue		4,231	-
Less: Cost of sales		(5,567)	-
		<u>(1,336)</u>	<u>-</u>
Administration expenses	3	(97,170)	(5,201)
(Loss) before income tax		<u>(98,506)</u>	<u>(5,201)</u>
Income tax expense		-	-
(Loss) for the year		<u>(98,506)</u>	<u>(5,201)</u>
Total comprehensive loss for the year		<u>(98,506)</u>	<u>(5,201)</u>
Total comprehensive loss attributable to members of the parent entity		<u>(98,506)</u>	<u>(5,201)</u>

The accompanying notes form part of these financial statements.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	Consolidated Group	
		30 June 2016	30 June 2015
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	52,810	16,534
Inventories	8	171,679	11,340
Other assets	9	45,284	39,953
TOTAL CURRENT ASSETS		269,773	67,827
NON-CURRENT ASSETS			
Property, plant and equipment	10	-	-
Intangible assets	11	2,003	1,323
TOTAL NON-CURRENT ASSETS		2,003	1,323
TOTAL ASSETS		271,776	69,150
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,288	-
TOTAL CURRENT LIABILITIES		1,288	-
NON-CURRENT LIABILITIES			
Financial liabilities	13	374,194	74,350
TOTAL NON-CURRENT LIABILITIES		374,194	74,350
TOTAL LIABILITIES		375,482	74,350
NET LIABILITIES		(103,706)	(5,200)
EQUITY			
Issued capital	14	1	1
Accumulated losses		(103,707)	(5,201)
TOTAL EQUITY		(103,706)	(5,200)

The accompanying notes form part of these financial statements.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Ordinary	Accumulated losses	Total
	\$	\$	\$
Balance at 6 March 2015	-	-	-
Issue of shares	1	-	1
Loss for the period	-	(5,201)	(5,201)
Balance at 30 June 2015	1	(5,201)	(5,200)
Loss for the year	-	(98,506)	(98,506)
Balance at 30 June 2016	1	(103,707)	(103,706)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated Group Year Ended 30 June 2016	Period Ended June 2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,231	-
Payments to suppliers and employees		(264,509)	(54,914)
Net cash used in operating activities	17	(260,278)	(54,914)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for non-current assets		(3,290)	(2,902)
Net cash used in investing activities		(3,290)	(2,902)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from related parties		299,844	74,350
Net cash provided by financing activities		299,844	74,350
Net increase in cash held		36,276	16,534
Cash at beginning of financial year		16,534	-
Cash at end of financial year		52,810	16,534

The accompanying notes form part of these financial statements.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The consolidated financial statements and notes represent those of Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) (the "Consolidated Group" or "Group").

The financial statements were authorised for issue on 31 March 2017 by the directors of the company.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Going Concern Basis of Accounting

The financial statements have been prepared on a going concern basis. The group incurred a net loss of \$98,506 for the year ended 30 June 2016 (2015: Loss of \$5,201). As at that date, the group had a net liability position of \$103,706 (2015: Net liabilities \$5,200).

Subsequent to year end, on 7 December 2016 Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) raised capital via the issue of 740,865 shares at \$1 each raising a total of \$740,865. Further to that, Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) is dependent on the ongoing financial support of the directors to provide funds, accordingly a letter of support has been obtained. Further to the above, the directors have signed a distribution agreement post year end that will generate potential sales of approximately \$1 million for the year ended 31 December 2017. Based on this management and board are of the opinion that the operations of the Group are viable and can continue as a going concern.

b. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited). A controlled entity is any entity over which Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 15 to the financial statements.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment loss.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and Fittings	7.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

These notes form part of these financial statements.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

d. **Plant and Equipment (Cont)**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Consolidated Statement of Profit and Loss.

e. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

f. **Revenue and Other Income**

Revenue from the sale of good is recognised upon shipment of the goods to the distributor.

All revenue is stated net of the amount of goods and services tax (GST).

g. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i. **Comparative figures**

Comparative figures for the period ended 30 June 2015, include operations from incorporation on the 6 March 2015 to 30 June 2015 Which is less than a 12-month period.

j. **New Accounting Standards for Application in Future Periods**

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

j. New Accounting Standards for Application in Future Periods (Cont)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a Limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

— AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact

— AASB 2014-3: *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations* (applicable to annual reporting periods beginning on or after 1 January 2016)

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: PARENT INFORMATION

Parent Entity

2016 2015

\$ \$

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

STATEMENT OF FINANCIAL POSITION

ASSETS

Current assets	39,980	-
Non – current assets	1	1
TOTAL ASSETS	39,981	1

LIABILITIES

Current liabilities	39,980	-
Non – current liabilities	-	-
TOTAL LIABILITIES	39,980	-

EQUITY

Issued share capital	1	1
Accumulated loss	-	-
TOTAL EQUITY	1	1

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Total loss	-	-
Total comprehensive loss	-	-

Consolidated Group

2016 2015

\$ \$

NOTE 3: LOSS BEFORE INCOME TAX

Loss before income tax includes the following expenses:

a. Expenses

Depreciation expense	2,610	80
Rental expense	34,683	-
	37,293	80

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group

Year Ended 30 June 2016	Period Ended 30 June 2015
\$	\$

NOTE 4: INCOME TAX BENEFIT (EXPENSE)

- a. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Prima facie tax payable on loss from ordinary activities before income tax at 30% (2015: 30%)	(29,552)	(1,560)
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Add:

Tax effect of:

— Tax loss not recognised	29,552	1,560
— Other deferred tax items	-	-

Income tax attributable to entity

-	-
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The applicable weighted average effective tax rates are as follows:

-	-
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NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

No remuneration was paid by Allwellness Holdings Group Limited to key management personnel.

NOTE 6: AUDITORS' REMUNERATION

Remuneration of the auditor of the company for:

— Auditing or reviewing the financial statements	4,000	4,000
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Consolidated Group

As at 30 June 2016	As at 30 June 2015
\$	\$

NOTE 7: CASH AND CASH EQUIVALENTS

Cash on hand	2	2
Cash at bank	52,808	16,532
	52,810	16,534

NOTE 8: INVENTORY

CURRENT

Stock on hand	171,679	11,340
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ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group

As at 30 June 2016 \$	As at 30 June 2015 \$
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NOTE 9: OTHER ASSETS

CURRENT

Deposits

45,284	39,953
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NOTE 10: PLANT AND EQUIPMENT

Furniture and Fittings

2,029

Less accumulated depreciation

(2,029)

Total plant and equipment

-

a. Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Furniture and Fittings \$	Total \$
Disposals	-	-
Additions	2,029	2,029
Depreciation expense	(2,029)	(2,029)
Carrying amount at 30 June 2016	-	-

NOTE 11: INTANGIBLE ASSETS

NON-CURRENT

Formation Cost

1,403

1,403

Less accumulated depreciation

(660)

(80)

743

1,323

Licenses and trademarks

1,260

-

Total Intangible assets

2,003

1,323

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group

As at 30 June 2016 \$	As at 30 June 2015 \$
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NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Trade payables and other payables

1,288

-

NOTE 13: FINANCIAL LIABILITIES

Loan from director

334,214

74,350

Deposit from shareholders for future share issue

39,980

-

374,194

74,350

The loan is unsecured and has been provided on interest free terms. The director has agreed in writing not to recall the loan within 12 months

NOTE 14: ISSUED CAPITAL

Ordinary Shares

1 (2015: 1) fully paid ordinary shares

1

1

Ordinary shares participate in dividends and the proceeds on winding up of the group in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 15: CONTROLLED ENTITY

	Country of Incorporation	Percentage Owned	
		Year Ended 30 June 2016 \$	Period Ended 30 June 2015 \$
Controlled Entity Consolidated		%	%
Subsidiary of Allwellness Holdings Group Limited:			
Tricare Health & Beauty Pty Limited	Australia	100	100

NOTE 16: EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to year end, on 7 December 2016 Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) raised capital via the issue of 740,865 shares at \$1 each raising a total of \$740,865.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

ABN 42 604 613 050

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group	
Year Ended 30 June 2016	Period Ended 30 June 2015
\$	\$

NOTE 17: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Loss after Income Tax

Loss after income tax	(98,506)	(5,201)
Non-cash flows in loss from ordinary activities		
— Depreciation and amortisation	2,610	80
— Formation expense	-	1,500
Changes in assets and liabilities		
— Increase in inventories	(160,339)	(11,340)
— Increase in other assets	(5,331)	(39,953)
— Increase in payables	1,288	-
	(260,278)	(54,914)

NOTE 18: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

Interest free loan provided by director	13	334,214	74,350
Deposit from shareholders for future share issue		39,980	-
		374,194	74,350

NOTE 19: FINANCIAL RISK MANAGEMENT

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from parent.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash assets	7	52,810	16,534
		52,810	16,534

Financial Liabilities

Trade and other payables	12	1,288	-
		1,288	-

These notes form part of these financial statements.

ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT.)

Financial liability and financial assets maturity analysis

	Within 1 Year		Total	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial liabilities due for payment				
Trade and other payables (excluding est. annual leave)	1,288	-	1,288	-
Total contractual outflows	1,288	-	1,288	-
Total expected outflows	1,288	-	1,288	-
Financial assets — cash flows realisable				
Cash assets	52,810	16,534	52,810	16,534
Total anticipated inflows	52,810	16,534	52,810	16,534
Net (outflow)/inflow on financial instruments	51,522	16,534	51,522	16,534

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

NOTE 20: SEGMENT REPORTING

The consolidated entity operates in the exporting of health care products business segment within China.

NOTE 21: CONTINGENT LIABILITIES

There are no contingent assets or contingent liabilities as at the date of this report.

NOTE 22: COMPANY DETAILS

The registered office of the company is:

Unit 21
5 Hudson Avenue
Castle Hill, NSW, Australia, 2154

The principal place of business is:

Unit 21
5 Hudson Avenue
Castle Hill, NSW, Australia, 2154

**ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN
AS ALLWELLNESS PHARMACEUTICAL PTY LIMITED)**

ABN 42 604 613 050

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited), the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 15 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards which, as stated in Accounting Policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the consolidated group.
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director



Mr Yong Zhang

Dated this 31st day of March 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY
LIMITED)**

Report on the Financial Report

We have audited the accompanying financial report of Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

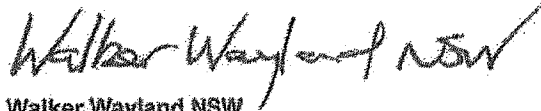
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ALLWELLNESS HOLDINGS GROUP LIMITED (FORMERLY KNOWN AS ALLWELLNESS PHARMACEUTICAL PTY
LIMITED)**

Auditors' Opinion

In our opinion:

- a. the financial report of Allwellness Holdings Group Limited (formerly known as Allwellness Pharmaceutical Pty Limited) is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



Walker Wayland NSW
Chartered Accountants



Wali Aziz
Principal

Dated this 13th day of April 2017

Suite 11.01, Level 11, 60 Castlereagh Street, Sydney NSW 2000