1. Reporting period

Report for the financial year ended 30 June 2015
Previous corresponding period is the financial year ended 30 June 2014

2. Results for announcement to the market

Revenues from ordinary activities	up/down	%	to	-
Loss from ordinary activities after tax attributable to members	Up	865%	to	(207,559)
Net loss for the period attributable to members	up	865%	to	(207,559)

Dividends	Amount per security	Franked amount per security
Interim dividend	¢ -	¢ -
Final dividend	¢ -	¢ -
Record date for determining entitlements to the dividend	N/A	

Brief explanation of any of the figures reported above

The Company did not carry out any major business activities during the year.
See attached Director's report and Financial Statements for more information.

3. Statement of Comprehensive Income

Refer to the attached statement and relevant notes

4. Statement of Financial Position

Refer to the attached statement and relevant notes

5. Statement of Cash Flows

Refer to the attached statement and relevant notes

6. Dividends

There were no dividends paid or declared by the Company during the financial year.

7. Dividend or distribution reinvestment plans

There were no dividends paid or declared by the Company during the financial year and does not have a dividend reinvestment plan

8. Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	-	-

For further information please refer to Directors report and Financial Statements (attached).

Beauty Health Group Limited
ACN 009 085 974

ANNUAL REPORT 2015

Beauty Health Group Limited
ACN 009 085 974

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

INDEX

COMPANY PARTICULARS

Board of Directors

Mr Constantine Andrew Scrinis (appointed on 6 December 2011)
Mr Gregory John Wood (appointed on 6 December 2011)
Mr Hemant Amin (appointed on 22 May 2014)

Company Secretary

Mr Constantine Andrew Scrinis

Auditors

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Registered & Principal Office

53 Stanley Street
West Melbourne VIC - 3003

Telephone: (03) 9289 5000
Facsimile: (03) 9289 5050

Share Registry

Boardroom Pty Limited ABN: 14 003 209 836
Level 8, 446 Collins Street
Melbourne VIC 3000

Telephone: 1300 737 760
Facsimile: (03) 9627 9930

DIRECTORS' REPORT

Your directors present the following report for the financial year ended 30 June 2015.

Directors

The names and details of the Company's directors at the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Constantine Andrew Scrinis – appointed on 6 December 2011

Constantine was the founder and managing director of commercial and industrial manufacturer Moonlighting Pty Limited, a business which was acquired by Gerard Lighting Pty Limited in February 2004. Constantine then established and was joint managing director of publicly listed Traffic Technologies Limited (TTI) until his resignation in August 2007. To that time Constantine played a dominant role in building up TTI to become Australia's largest traffic products company with about $100m in annual revenues. Mr. Scrinis was a director of ASX listed Stokes Limited Since October 2012 and he was a director of ASX listed Oakdale Resources Limited during September 201o to February 2015.

Mr Gregory John Wood – appointed on 6 December 2011

Greg Wood has an extensive history in the corporate advisory, merchant banking and financial services industries. He is currently Managing Director of K S Capital Pty Limited, licensed dealer in securities, and specialises in capital raisings, mergers and acquisition advice, public company takeovers and financial reconstructions. Mr Wood is a Chartered Accountant by background.

Mr Hemant Amin - appointed on 22 May 2014

Hemant is a certified practicing accountant and has over 25 years of accounting and business experience and has worked for both large multinational/ public companies as well as smaller family owned operations. Hemant now works as a management consultant. Mr. Amin was a director of ASX listed Oakdale Resources Limited during September 201o to February 2015.

Company Secretary

Mr Constantine Andrew Scrinis – appointed on 6 December 2011

DIRECTORS' REPORT (CONT'D)

Directors' interests

The relevant interest of each director in the share capital of the Company as notified by the directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows, including beneficial or related party interest:

Directors	No of Ordinary Shares	No. of Options over Ordinary Shares
Mr Constantine Andrew Scrinis	300,070	Nil
Mr Gregory John Wood	75,018	Nil
Mr Hemant Amin	Nil	Nil

Directors meetings

There were no directors' and committee meetings held in the financial year.

Unissued shares under option

There were no unissued ordinary shares of the Company under option at the date of this report.

Shares issued on exercise of options

No shares have been issued on the exercise of options during the financial year.

Dividends paid or recommended

There were no dividends paid or declared by the Company during the financial year.

Principal Activities

The Company did not carry out any major business activities during the year.

Review of operations and significant changes in state of affairs

The financial result for the year ended 30 June 2015 was a loss of $207,559 (2014: $23,985).

On 16 March 2015, the Company announced its intention to enter into the online social gaming and wagering sector through the proposed acquisition of 100% of the TopBetta Group of companies from Australian social media company OM Group Holdings Pty Ltd. The Company also proposes to undertake a $5 million capital raising and subject to satisfying the requirements of ASX and ASIC will seek to have its shares re- quoted on the ASX in 2015.

On 17 March 2015 the Company issued 147,000 fully paid ordinary shares at an issue price of $1.00 per Share to raise $147,000 by way of a placement to sophisticated investors.

After balance sheet date events

Directors are not aware of any other matters or circumstances not otherwise dealt with in this report that has significantly or may significantly affect the operations or the state of affair of the Company in future financial periods.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Beauty Health Group Limited for the financial year ended 30 June 2015. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company.

The directors and other key management personnel of the Company during or since the end of the financial year were:

Mr Constantine Andrew Scrinis
Mr Gregory John Wood
Mr Cary Peter Stynes
Mr Hemant Amin

The remuneration report is set out under the following headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Share based payments
D Equity Holdings
E Other related party transactions

A Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

The remuneration structure for KPMs including Directors, company secretary and senior managers is based on the following factors:

- experience of the individual concerned
- the overall performance of the market in which the company operates
- the overall performance of the Company

B Details of remuneration

Remuneration levels are set by the company in accordance with industry standards to attract suitable qualified and experienced Directors and senior executives.

The company has not engaged a remuneration consultant. There is no formal contract of employment for the executives of the Company. Whilst there is no formal contract of employment, standard employment conditions apply.

DIRECTORS' REPORT (CONT'D)

REMUNERATION REPORT (CONT'D)

Key Management Personnel emoluments

2015	**Short-term**	**Long-term**	**Post-employment**	**Total 2015**
	Salary and fees	Long service leave	Superannuation	
	$	**$**	**$**	**$**
Constantine A Scrinis	15,000	-	-	15,000
Gregory J Wood	-	-	-	-
Hemant Amin	-	-	-	-
Total	15,000	-	-	15,000

The Company did not pay any remuneration to any director during the year ended 30 June 2014.

C Share-based compensation

No options or ordinary shares were provided as remuneration during the financial year and no shares were issued on exercise of options issued during the year.

D Equity holdings

2015	**Opening Balance**	**Received as Remuneration**	**Options Exercised/ Expired**	**Other Movements**	**Closing Balance**
Directors					
Constantine A Scrinis	300,070	-	-	-	300,070
Gregory J Wood	75,018	-	-	-	75,018
Hemant Amin	-	-	-	-	-

2014	**Opening Balance**	**Received as Remuneration**	**Options Exercised/ Expired**	**Other Movements**	**Closing Balance**
Directors					
Constantine A Scrinis	300,070	-	-	-	300,070
Gregory J Wood	75,018	-	-	-	75,018
Cary Peter Stynes	-	-	-	-	-
Hemant Amin	-	-	-	-	-

E Other related party transactions

At balance date the Company had a loan of $48,247 (2014: $34,497) owing to Boom Capital Pty Ltd, a related entity of Mr Constantine Andrew Scrinis.

End of remuneration report

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Therefore, this information has not been presented in this report.

DIRECTORS' REPORT (CONT'D)

Proceedings on behalf of the Company

No proceedings have been entered into on behalf of the Company.

Environmental issues

There are no environmental issues that affect the Company.

Non-audit services

No remuneration was paid or is payable to the auditor for non-audit services.

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2015 has been received and can be found on page 18 of the financial report.

Insurance of officers

During the financial year, Beauty Health Group Limited did not hold any insurance for the directors, secretaries and officers of the Group.

Signed in accordance with a resolution of directors:

Director : Constantine Andrew Scrinis
Melbourne, 21 August 2015

Corporate governance statement

The Company's corporate governance framework has been formulated in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in 2007 (ASX Recommendations). The Company's framework largely complies with these recommendations. Consistent with the Company's approach to sound corporate governance, opportunities for improvement are regularly considered.

Day-to-day management of the affairs of the Company are delegated by the Board to the Chief Executive Officer and senior executives. The Directors are responsible to shareholders for the performance of the Company and their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The main processes that the directors of the Company use in doing so are set out in this statement.

Principle 1: Lay solid foundations for management and oversight

The Director's must act in the best interest of the Company and in general are responsible for, and has the authority to determine, all matters relating to the policies, management and operations of the Company.

Recommendation 1.1 – Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions

The Board's responsibilities, in summary, include:

- providing strategic direction and reviewing and approving corporate strategic initiatives;
- overseeing and monitoring organizational performance and the achievement of the Company's strategic goals and objectives;
- appointing, monitoring the performance of, and, if necessary, removing the Managing Director;
- ratifying the appointment and/or removal, and contributing to the performance assessment of the members of the senior management team;
- planning for Board and executive succession;
- ensuring there are effective management processes in place and approving major corporate initiatives;
- adopting an annual budget and monitoring management and financial performance and plans;
- monitoring the adequacy, appropriateness and operation of internal controls;
- identifying significant business risks and reviewing how they are managed;
- considering and approving the Company's Annual Financial Report and the interim and final financial statements;
- enhancing and protecting the reputation of the Company;
- reporting to, and communicating with, shareholders; and
- setting business standards and standards for social and ethical practices.

Principle 1: Lay solid foundations for management and oversight (cont'd)

Day to day management of the Company and implementation of Board policies and strategies has been formally delegated to management and senior executives. It is responsibility of the Board to oversee the activities of management in carrying out delegated tasks. The Board has delegated to management responsibility for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing the Company's annual budget, recommending it to the Board for approval and managing day to day operations within the budget;
- managing day to day operations in accordance with the standards for social and ethical practices which have been set by the Board;
- making recommendations for the appointment of senior management, determining terms of appointment, evaluating performance, and developing and maintaining succession plans for senior management roles.

Recommendation 1.2 – Companies should disclose the process for evaluating the performance of senior executives

Performance of senior executives is constantly reviewed by the Board as part of the ordinary course of meetings of the Directors. The Company has acquired a human resources tool kit from a human resources consultancy and has employed this to manage the performance of senior executives. The tool kit includes written job descriptions and half yearly and yearly performance management appraisals.

There have been no departures from Principle 1 during the year ending 30 June 2011.

Principle 2: Structure the board to add value

The skills, experience and expertise relevant to the position of director and period of office held by each director is disclosed within the directors' report of the Company's Annual Report. Each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertaking in order to fulfil their duties and responsibilities as directors.

Recommendation 2.1 – A majority of the board should be independent directors

In accordance with the company's corporate governance charter, the company will continue to search for suitable independent non-executives to join the board.

Recommendation 2.2 – The chair should be an independent director; and
Recommendation 2.3 – The roles of chair and chief executive officer should not be exercised by the same individual

In accordance with the company's corporate governance charter, the company will continue to search for a suitable independent Chairman to join the board.

Principle 2: Structure the board to add value (cont'd)

Recommendation 2.4 – The board should establish a nomination committee

The Company does not presently have a nomination committee. Due to the size and nature of the activities of the Company, the nomination of new directors is conducted by the board by way of ongoing review and discussion in relation to experience deficiencies that may exist within the existing board structure.

Recommendation 2.5 – The Company should disclose the process for evaluating the performance of the board, its committees and individual directors

The performance of the board is reviewed as part of the ordinary course of meetings of the directors. All directors have unrestricted access to company records and information and receive regular detailed financial and operational reports from executive management to enable them to carry out their duties. The Board has a policy which enables the Board and each of the directors to seek independent professional advice for matters related to the Company at the Company's expense, upon approval by the Chairman, to help them carry out their responsibilities.

Principle 3: Promote ethical and responsible decision making

As part of the Board's commitment to the highest standard of conduct, the company adopts a code of conduct to guide management and employees in carrying out their duties and responsibilities as follows.

Recommendation 3.1 – The Company should establish a code of conduct and disclose the code

The Company has a corporate code of conduct which applies to all directors, executives, management and employees. The code has been designed to maintain confidence in the Company's integrity and sets out the responsibility and accountability for reporting and investigating reports of unethical practices. The code governs human resource and workplace practices, conflicts of interest, confidentiality and privacy of personal information, risk management and legal compliance. The code of conduct is intended to help directors and staff to understand their responsibilities and uphold the Company's goals and values.

All directors, executives, employees and consultants of the company have the following duties:

- To act honestly, fairly and without prejudice in all commercial dealings and to conduct business with professional courtesy and integrity
- To use the powers of their office for a proper purpose and in the best interest of the company
- To comply with letter and spirit of the law and with the principles of this Code
- Not to knowingly make any misleading statements to any person or to be a party to any improper practice in relation to dealings with or by the company
- To ensure that the company's resources and property are used properly and
- Not to disclose information or documents relating to the company or its business, other than as required by law, not to make any unauthorised public comment on the company's affairs and not to misuse any information about the company or its associates.

Principle 3: Promote ethical and responsible decision making (cont'd)

The board endeavours to ensure that the directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, that directors, officers and employees must:

- Comply with the law
- Act in the best interests of the company
- Be responsible and accountable for their actions, and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

Recommendation 3.2 – The Company should establish a policy concerning trading in company securities and disclose a summary of that policy

The company's policy regarding directors and employees trading in its securities is set by the board of directors. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

The company has set the following windows for trading in the Company's securities by the directors and senior executives, being between two and thirty two days following:

- The release to the Australia Stock Exchange of the company's preliminary full year financial statements
- The release to the Australian Stock Exchange of the company's half year financial statements
- The date on which the Company holds its annual general meeting and
- The initial quotation of the company's shares on the Australian Stock Exchange.

  Outside of these windows, no trading can occur

There have been no departures from this policy during the year ending 30 June 2011.

Principle 4: Safeguard integrity in financial reporting

The Company's financial statements present a true and fair view of the Company's financial condition and operational results and are in accordance with relevant accounting standards. The statement given to the Board on the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.

Recommendation 4.1 – The board should establish an audit committee

The Audit, Finance and Risk Committee is responsible for the appointment and/or removal of the external auditor. The Committee reviews the performance of the external auditors and reviews Company policy on maintaining independence of the external auditor. In addition the Committee assesses whether it is satisfied that the independence of the external auditor has been maintained, having regard to the provision of non-audit services. The auditor has been invited to attend this year's Annual General Meeting and will be available to answer shareholder questions about the conduct of the audit, and the preparation and content of the auditor's report.

Principle 4: Safeguard integrity in financial reporting (cont'd)

The skills, experience, expertise and attendance relevant to the members of the audit committee is disclosed within the directors' report of the Company's Annual Report.

Recommendation 4.2 – The audit committee should be structured so that it: (i) consists only of non-executive directors, (ii) consists of a majority of non-executive directors; (iii) is chaired by an independent chair, who is not the chair of the board; and (iv) has at least three members; and Recommendation 4.3 – The audit committee should have a formal charter

Given the status of the company and that there are no non-executive directors, the company does not have an audit committee. Consequently, the audit committee is not governed by a formal charter.

Principle 5: Make timely and balanced disclosure

The Company believes that all shareholders should have equal and timely access to material information about the Company including its financial situation, performance, ownership and governance. Shareholders are encouraged to participate in general meetings.

Recommendation 5.1 – The Company should put in place mechanisms designed to ensure compliance with the ASX Listing Rule requirements.

Due to the size and nature of the company, the Board has not currently adopted a formal disclosure policy. However the company has the following principles in place:

- Communications by the Company will be factual and subject to internal vetting and authorisation before issue
- Announcements will be expressed in a clear and objective manner to allow investors to assess the impact of the information when making investment decisions
- The Company will not endorse reports on its operations prepared by third parties
- The Company will not respond to speculation and rumour except as required by the ASX
- The CEO and Company Secretary have been appointed as the persons responsible for communications with the ASX
- The Board is responsible for ensuring the compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX
- All material will be lodged as soon as practicable with the ASX
- No undisclosed price sensitive information will be disclosed in any analyst meeting

Principle 6: Respect the rights of shareholders

Recommendation 6.1 – The Company should design a communications policy for promoting effective communication with shareholders.

The Board and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meeting. The company adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed. Due to the size of the company, all communications are prepared and administered in-house.

The Company actively encourages communications with their shareholders and have made available all forms of contact; phone, email, facsimile and post details.

Principle 6: Respect the rights of shareholders (cont'd)

The company's Half and Full Year Reports are a significant mean of communicating to shareholders the Company's activities, operations and performance over the past financial year. In accordance with the Company's disclosure principles, these are publicly available on the ASX website.

There have been no departures from Principle 6 during the year ending 30 June 2015.

Principle 7: Recognise and manage risk

A range of factors and risks, some of which are beyond the Company's control, can influence performance. Managing risk is central to the Company's business. The Company has in place a range of procedures to identify, assess and control risks by the Board, periodically.

Recommendation 7.1 – The Company should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

The Board is responsible for oversight of the company's management's system of internal controls. The Board constantly monitors the operation and financial aspects of company activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial risks that face the company.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the company has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

There is currently no formal Risk Management Statement.

Recommendation 7.2 – The Company should require management to design and implement a risk management and internal control system to manage the Company's material business risks.

The Board has adopted and implemented a strict risk management policy for its members, senior executives and management team. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures. Executive management is responsible for implementing the board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Company recognizes four main types of Risk:

- Market risk, which relates to the risk to earnings from changes in market conditions including economic activity, interest rates, investor sentiment and world events;
- Operational risk, which relates to inadequacy of or a failure of internal processes, people or systems or from external events;
- Credit risk, which relates to the risk that the other party to a transaction will not honour their obligation; and
- Regulatory risk, which relates to the risk that there may be changes to legislation (including but not limited to laws which relate to corporations and taxation) in the future which restricts or limits in some way the Company's activities.

Principle 7: Recognise and manage risk (cont'd)

Recommendation 7.3 – The Company should disclose whether it has received assurance from the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Company obtains statements from its chief executive officer and chief financial officer that:

- the Company's financial reports present a true and fair view in all material respects, of the company's financial condition and operational results are in accordance with the relevant accounting standards. Furthermore, the board of directors does, in its role, state to shareholders in the Company's accounts that they are true and fair, in all material respects

- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the board

- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

There have been no departures from Principle 7 during the year ending 30 June 2015. The Board believes the company's risk management and internal compliance and control procedures are operating efficiently and effectively in all material aspects appropriate for a Company of Beauty Health Group size and nature. The Board will continue to monitor this aspect of the company closely, and will cause to be developed a comprehensive Risk Management Process and Policy document, additional to the material outlined above.

Principle 8: Remunerate fairly and responsible

Recommendation 8.1 – The board should establish a remuneration committee

Due to the size and nature of the Company, the Board has not yet established a remuneration committee. As a result, the functions ordinarily undertaken by a remuneration committee are undertaken by the Board.

Recommendation 8.2 – The Company should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

The Company distinguished between the structure of non-executive directors' remuneration and that of executive directors and senior executives. Currently, there are no non-executive directors. However, previously non-executive directors were paid partly in cash and partly by options under the DESOP. Non-executive directors previously have deferred payment of their cash component until such time that the company is in a position to make such payments.

Since the resignation of the non-exec directors on 1 June 2009, the company has distinguished the payment for executive and non-executive work by granting shares for board work, subject to the consent of shareholders, and making cash payment for executive work.

The Company does not have any scheme for retirement benefits, other than statutory superannuation, for any directors.

Further information on director's and executive's remuneration, including principles used to determine remuneration, is set out in the director's report under the heading "Remuneration Report".

The Board is aware of the Principles of Good Corporate Governance and Best Practice Recommendations, and will continue to work towards full adoption of the recommendations in line with growth and development of the company in the years ahead.

Checklist summarising the best practice recommendations and our compliance as at the reporting date

ASX Principle		Compliance
Principle 1: Lay solid foundations for management and oversight		
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions	Comply
1.2	Companies should disclose the process for evaluating the performance of senior executives	Comply
1.3	Companies should provide the information indicated in the Guide to reporting on Principle 1	Comply
Principle 2: Structure the Board to add value		
2.1	A majority of the board should be independent directors	Do not comply
2.2	The chair should be an independent director	Do not comply
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	Do not comply
2.4	The board should establish a nomination committee	Do not comply
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors	Comply
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2	Comply
Principle 3: Promote ethical and responsible decision making		
3.1	Companies should establish a code of conduct and disclose the code	Comply
3.2	Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy	Comply
3.3	Companies should provide the information indicated in the Guide to reporting on Principle 3	Comply
Principle 4: Safeguard integrity in financial reporting		
4.1	The board should establish an audit committee	Do not comply
4.2	The audit committee should be structured so that it consists only of non-executive directors, consists of a majority of independent directors, is chaired by an independent chair, who is not chair of the board, has at least three members.	Do not comply
4.3	The audit committee should have a formal charter	Do not comply
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4	Comply
Principle 5: Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies	Comply
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5	Comply

Principle 6: Respect the rights of shareholders

6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy	Comply
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6	Comply

Principle 7: Recognise and manage risk

7.1	The Company should establish policies for the oversight and management of material business risks and disclose a summary of those policies	Do not comply
7.2	The Company should require management to design and implement a risk management and internal control system to manage the Company's material business risks	Do not comply
7.3	The Company should disclose whether it has received assurance from the chief executive officer and chief financial officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks	Comply
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7	Comply

Principle 8: Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee	Do not comply
8.2	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	Comply
8.3	Companies should provide the information indicated in the Guide to reporting on Principle 8	Comply

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Beauty Health Group Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
21 August 2015

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
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Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
Revenue from operating activities		-	-
Other revenue	2	284	-
Consulting & other fees		(140,500)	-
Other expenses from ordinary activities		(11,014)	(3,985)
ASX fees		(26,829)	(20,000)
Audit fees		(29,500)	-
Loss before tax		**(207,559)**	**(23,985)**
Income Tax	3	-	-
Other comprehensive income		-	-
Total comprehensive loss for the year		**(207,559)**	**(23,985)**
Loss and total comprehensive loss for the year attributable to owners of the company		**(207,559)**	**(23,985)**
Loss per share			
Basic and diluted loss per share	10	(0.20)	(0.02)

The above Statement of Comprehensive Income should to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	4	135,275	47
Trade and other receivables	5	14,494	-
TOTAL CURRENT ASSETS		**149,769**	**47**
TOTAL ASSETS		**149,769**	**47**
CURRENT LIABILITIES			
Trade and other payables	6	79,781	-
Borrowings	7	164,997	34,497
TOTAL LIABILITIES		**244,778**	**34,497**
NET ASSETS / (LIABILITIES)		**(95,009)**	**(34,450)**
EQUITY			
Contributed equity	8	30,819,921	30,672,921
Accumulated losses		(30,914,930)	(30,707,371)
TOTAL EQUITY		**(95,009)**	**(34,450)**

The above Statement of Financial Position should be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Contributed Equity $	Accumulated Losses $	Total $
Balance at 1 July 2013	**30,672,921**	**(30,683,386)**	**(10,465)**
Loss attributable to members	-	(23,985)	(23,985)
Balance at 30 June 2014	**30,672,921**	**(30,707,371)**	**(34,450)**
Balance at 1 July 2014	**30,672,921**	**(30,707,371)**	**(34,450)**
Loss attributable to members	-	(207,559)	(207,559)
Issue of shares	147,000	-	147,000
Balance at 30 June 2015	**30,819,921**	**(30,914,930)**	**(95,009)**

The above Statement of Changes in Equity should be read in conjunction with the attached notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from ATO		2,506	7,332
Interest received		284	-
Payments to suppliers and employees		(145,602)	(3,985)
Net cash (used in)/provided by in operating activities	**11(b)**	**(142,272)**	**3,347**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of convertible notes		103,000	-
Proceeds from issue of shares		147,000	-
Proceeds from borrowings		27,500	-
Repayment of borrowings		-	(3,300)
Net cash provided by/(used in) financing activities		**277,500**	**(3,300)**
Net increase in cash and cash equivalents		135,228	47
Cash and cash equivalents at beginning of year		47	-
Cash and cash equivalents at end of year	**4**	**135,275**	**47**

The above Statement of Cash Flows should be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation

INTRODUCTION

The financial report covers Beauty Health Group Limited, the Company is a listed public company incorporated and domiciled in Australia. The Company is a for-profit entity. The Company did not carry out any major business activities during the year.

Currency

The financial report is presented in Australian currency. The functional currency of Beauty Health Group Limited is Australian dollars.

Authorisation of financial report

The financial report was authorised for issue by the directors on 21 August 2015.This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Act 2001. The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Basis of accounting
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

Critical accounting estimates
The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

Adoption of new and revised standards
Standards and Interpretations adopted applicable to 30 June 2015

In the year ended 30 June 2015, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations on issue not yet adopted
The Directors have also reviewed all Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2015. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the company's business and, therefore, no change necessary to company accounting policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b. Going concern

Notwithstanding the fact that the company has a working capital deficit and net asset deficit at balance date of $95,009 (2014: $34,450), the directors are of the opinion that the company is a going concern based on the following.

On 16 March 2015, the Company announced its intention to enter into the online social gaming and wagering sector through the proposed acquisition of 100% of the TopBetta Group of companies from Australian social media company OM Group Holdings Pty Ltd. The Company also proposes to undertake a $5 million capital raising and subject to satisfying the requirements of ASX and ASIC will seek to have its shares re- quoted on ASX in mid-2015.

On 17 March 2015 the Company issued 147,000 fully paid ordinary shares at an issue price of $1.00 per Share to raise $147,000 by way of a placement to sophisticated investors.

On 7 April 2015 the Company issued 40,000 convertible notes at an issue price of $1.00 per note, which will convert to fully paid ordinary shares on obtaining the approval from the shareholders of the Company. No interest is payable to note holders.

On 16 June 2015 the Company issued further 63,000 convertible notes at an issue price of $1.00 per note, which will convert to fully paid ordinary shares on obtaining the approval from the shareholders of the Company. No interest is payable to note holders.

An undertaking has been received in writing from a major shareholder of the Company to provide additional funds to assist in meeting its financial commitments if required.

There are a number of inherent uncertainties relating to the company's future plans including but not limited to:

- The company's shares are currently suspended;
- There is doubt as to whether the company will be able to raise equity in this current market; and
- There is doubt as to whether the company would be able to secure any other sources of funding.

Accordingly, there is a material uncertainty that may cast significant doubt whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that the Company will be able to maintain sufficient cash to fund ongoing working capital needs from the date of these financial statements. Accordingly, the financial report has been prepared on a going concern basis.

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

c. Segment reporting (cont'd)

The new standard, AASB 8, requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The Company was not trading during the financial year ended 30 June 2015 and also during last financial year ended 30 June 2014, hence there is no information on operating segments provided in this report.

d. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue from strata management, legal services and funds management are recognised over the respective periods to which the service was performed as well as expenses incurred on behalf of customers. Revenue from the rendering of other services is recognised upon the delivery of the service to the customers. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

e. Taxation

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Statement of Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

f. Leases

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

g. Business Combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or business under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

h. Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the Statement of Comprehensive Income.

i. 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

j. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the Statement of Comprehensive Income in other expenses.

k. *Investment in associates*

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Company's share of post-acquisition reserves of its associates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

l. Financial assets and liabilities

Recognition

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the entity. A financial liability is removed from the Statement of Financial Position when the obligation specified in the contract is discharged or cancelled or expires.

Subsequent to initial recognition these instruments are recognised below.

Financial assets at fair value through profit and loss

Upon initial recognition a financial asset is designated as at fair value through profit or loss if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. A gain or loss arising from a change in the fair value of a financial asset or financial liability (classified as at fair value) is recognised in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortised cost using the effective interest method.

Held-to-maturity investments

These investments have fixed maturities, and it's the Company's intention to hold these investments to maturity. Any held-to-maturity investments are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include other financial assets, comprising investments in subsidiaries, not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m. Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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 assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets including capitalised lease assets is depreciated over their useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

n. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

o. *Employee benefits*

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

p. Contributed equity

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

q. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

r. Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders 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.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

s. *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

t. Contingent liabilities

A contingent loss is recognised as an expense and a liability if it is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability incurred and, a reasonable estimate of the amount of the resulting loss can be made.

u. Comparative figures

Where required by accounting standards, the reclassification of comparatives has been performed in order to conform to the changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. REVENUE

	2015	2014
	$	$
(a) Revenue from services or sale of goods	-	-
(b) Other Revenue:		
Interest revenue from other persons	284	-
	284	-

3. TAXATION

The components of income tax expense are:		
Current tax	-	-
Deferred tax charge	-	-
Income tax expense reported in Statement of Comprehensive Income	-	-
Prima facie tax on profit/ (loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Profit/ (loss) before income tax	(207,559)	(23,985)
Income tax expense at 30%	(62,268)	(7,196)
Income tax benefit not brought to account on losses in the year	62,268	7,196
Income tax expense	-	-

The potential deferred tax assets arising from current year tax losses has not been brought to account.

At the date of this report, the directors have not quantified the extent of prior year tax losses that would he eligible to be carried forward and effect against future assessable income.

4. CASH AND CASH EQUIVALENTS

Cash at bank	135,275	47
	135,275	47

Cash at bank earns interest at floating rates based on daily bank deposit rates.

5. TRADE AND OTHER RECEIVABLES

CURRENT		
GST refund due	14,494	-
	14,494	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. TRADE AND OTHER PAYABLES

	2015 $	2014 $
CURRENT		
Trade and other payables (i)	79,781	-
	79,781	-

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

7. BORROWINGS

CURRENT		
Non-interest bearing loan (i)	61,997	34,497
Convertible Notes (ii)	103,000	-
	164,997	34,497

(i) The loan is non-interest bearing, unsecured and at call (refer note 13).

(ii) Convertible Notes are non-interest bearing, unsecured for a term of 12 months and it will convert to fully ordinary shares on obtaining approval from the shareholders at the next annual general meeting of shareholders.

8. CONTRIBUTED EQUITY

(a) Fully paid ordinary shares	30,819,921	30,672,921
Movement in value of issued shares		
Opening balance	30,672,921	30,672,921
Issue of new shares	147,000	-
	30,819,921	30,672,921
(b) Movement in number of shares on issue	Number	Number
Opening balance	985,941	985,941
Issue of new shares	147,000	-
	1,132,941	985,941

9. DIVIDENDS

There were no dividends proposed or paid by the Company during the financial year or in the previous financial year.

Franking credits available for subsequent years	887,159	887,159

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10. EARNINGS PER SHARE

The following securities have been classified as ordinary shares and included in basic earnings per share:

Loss used in calculating loss per share	(207,559)	(23,985)
Weighted average number of shares	Number	Number
for basic and diluted loss per share	1,028,229	985,941
Loss per share	(0.20)	(0.02)

11. NOTES TO THE STATEMENT OF CASH FLOWS

a) For the purpose of the statements of cash flows, cash includes cash on hand and at bank on short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2015	2014
	$	$
Cash and cash equivalents (Note 4)	135,275	47

b) Reconciliation of cash flow from operations with operating profit after income tax:

Profit / (loss) after income tax	(207,559)	(23,985)
Changes in asset and liabilities:		
(Increase)/Decrease in trade receivables	(14,494)	5,332
Increase /(Decrease) in trade and other payables	79,781	(5,668)
Increase/(Decrease) in borrowings	-	27,668
Cash flow from operations	(142,272)	3,347

There were no non-cash financing and investing activities.

12. KEY MANAGEMENT PERSONNEL DISCLOSURE

2015	Short-term	Long-term	Post-employment	Total 2015
	Salary and fees	Long service leave	Superannuation	
	$	$	$	$
Constantine A Scrinis	15,000	-	-	15,000
Gregory J Wood	-	-	-	-
Hemant Amin	-	-	-	-
Total	15,000	-	-	15,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12. KEY MANAGEMENT PERSONNEL DISCLOSURE (CONT'D)

The Company did not pay any remuneration to any director during the year ended 30 June 2014.

13. RELATED PARTY TRANSACTIONS

At balance date the Company had a loan of $48,247 (2014: $34,497) owing to Boom Capital Pty Ltd, a related entity of Mr Constantine Andrew Scrinis.

There were no other related party transactions to report.

14. AUDITOR'S REMUNERATION

Total remuneration of $29,500 is due and payable to the auditor as at 30 June 2015 representing fees relating to the audits and reviews of the Company's financial reports for numerous periods. No remuneration was paid to the auditor during the financial year ended 30 June 2014.

15. FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits and borrowing. These activities expose the Company to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Directors manage the different types of risks to which it is exposed by considering risk and monitoring levels of exposure to interest rate and foreign exchange risk and by being aware of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through general business budgets and forecasts.

The Company holds the following financial instruments:

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	135,275	47
Trade and other receivables	14,494	-
Total Financial assets	149,769	47
Financial liabilities		
Trade and other payables	79,781	-
Borrowings	164,997	34,497
Total Financial liabilities	244,778	34,497

The fair value of financial assets and liabilities at balance date approximates their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk

Foreign exchange risk
The Company does not have any direct material foreign exchange risk as commercial transactions and recognised financial assets and liabilities are all in Australian currency.

Price risk
The Company does not have any direct material market or commodity price risk relating to its financial assets or liabilities.

Interest rate risk
The company is not exposed to any material interest rate risks.

Credit risk

Credit risk arises from cash and cash equivalents and receivables. The credit risk on financial assets which have been recognised on the Statement of Financial Position is generally the carrying amount, net of any provisions. The Company has policies in place for deposit transactions for such transactions to be conducted with financial institutions with a minimum credit rating. There were no receivables at year end thus there was no credit risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the Company's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the Company monitors its cash requirements on a continual basis.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Consolidated	Total Contractual Cash flows	Less than 6 months	6 - 12 months	1-2 years	2-5 years	Over 5 years
	$	$	$	$	$	$
2015						
Trade and other Payables	79,781	79,781	-	-	-	-
Borrowings	164,997	164,997	-	-	-	-
2014						
Trade and other Payables	-	-	-	-	-	-
Borrowings	34,497	34,497	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

16. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Company may reduce debts, adjust the amount of dividends paid to shareholders and return capital to shareholders or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including borrowings, trade and other payable as show on the balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

17. CONTINGENT LIABILITES AND COMMITMENTS

At balance date the company has no contingent liabilities or commitments.

18. EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of financial year 30 June 2015, the Directors are not aware of any other matters or circumstances not otherwise dealt with in this report that has significantly or may significantly affect the operations or the state of affairs of the Company in future financial periods.

DIRECTORS' DECLARATION

In the opinion of the directors of Beauty Health Group Limited:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements;

- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2015.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

Director : Constantine Andrew Scrinis
Melbourne, 21 August 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Beauty Health Group Limited

Report on the Financial Report

We have audited the accompanying financial report of Beauty Health Group Limited ("the Company"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for Beauty Health Group Limited.

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 is free from material misstatement, whether due to fraud or error.

In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's 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 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 judgement, 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 and fair presentation 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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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*.

HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Beauty Health Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(b) in the financial report which discloses that the company will be required to obtain funding from either a capital raising or from some other source in order to continue as a going concern. This indicates the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, whether it will be able to realize its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Beauty Health Group Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
21 August 2015