Wellness and Beauty Solutions Limited
(Formerly known as Total Face Group Limited)
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Wellness and Beauty Solutions Limited
ABN:	43 169 177 833
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	43.7%	to	10,343
Loss from ordinary activities after tax attributable to the owners of Wellness and Beauty Solutions Limited	up	14.7%	to	(13,402)
Loss for the year attributable to the owners of Wellness and Beauty Solutions Limited	up	14.7%	to	(13,402)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $13,402,000 (30 June 2018: $11,681,000).

Operating results

The loss for the consolidated entity after providing for income tax amounted to $13.402 million (30 June 2018: $11.681 million). This result included the write down in value of $5.278 million of goodwill associated with the Company's clinic network.

Total revenue from continuing operations in the reporting period was $9.93 million (2018: $14.71 million). This result was supported by the acquisition of The Giving Brands Company Pty Ltd (GBCo) on 8 October 2018. GBCo contributed operating revenue to the Group of $1.28 million since its acquisition.

Operating revenue from continuing clinic operation, rebranded Immersion Clinical Spas, was down $5.69 million over the previous corresponding period to $9.02 million. (2018: $14.71 million) representing a decrease of 39%. This disappointing result was impacted by a number of factors including the sale of four clinics across May and August 2018, as well as the suspension of operation and subsequent closure of the Canberra and Richmond clinics. At the time the clinics were sold the Group's liquidity was weak. The sale of these clinics contributed cash to the ongoing operations of the group and enable the group to continue trading whilst additional capital was raised.

Operating expenses were impacted by the write down in value of the Company's clinic network by $5.278 million. This reduction was largely driven by the sale of three clinics and the decrease in revenues from continuing operations.

Other significant non-recurrent expenses ($1.58m) were incurred during the reporting period. Key issues included costs relating to the acquisition of The Giving Brands Company Pty Ltd, costs associated with the capital raise activity, losses on the sale of three clinics, the disposal of leased assets, legal expenses and the payment of employee entitlements related to the previous executive management team.

Net cash outflows from operating activities was $7.024 million during the period. Net cash inflow from investing activities in the reporting period was $1.085 million and net cash from financing activities was $6.748 million. The Company held $1.043 million in cash and cash equivalents held at the end of the reporting period (2018: $234,000) and $2.188 million in inventories (2018: $814,000).

Review of operations

The Company achieved a number of key milestones during the 2019 Financial Year.

Share Placement

On 5 October 2018, 140,000,000 ordinary shares were issued to a number of existing and new institutional and sophisticated investors at a price of $0.05 per share, raising $7M (before costs) to fund working capital for improvement of the clinic network, to complete the GBCo acquisition and fund its business plan, and to repay debt.

Non-renounceable Entitlement Offer

On 8 October 2018, 27,829,537 ordinary shares were issued at a price of $0.05 per share to eligible shareholders under a 1 for 2 non-renounceable Entitlement Offer, raising $1.4M (before costs).

Acquisition of The Giving Brands Company (GBCo)

On 8 October 2018, the Group acquired The Giving Brands Company Pty Ltd (GBCo) for a total consideration of 51,725,552 fully paid ordinary shares. There was no cash consideration issued. As part of the acquisition, Ms Christine Parkes, Founder and CEO of GBCo, was appointed as Managing Director and CEO of Wellness and Beauty Solutions (formerly Total Face Group).

Reinstatement of Official Quotation

On 10 October 2018 the Company was reinstated to Official Quotation on the Australian Securities Exchange, following completion of a capital raising and the acquisition of GBCo.

Company Name Change

On 30 November 2018, the Company's name changed to Wellness and Beauty Solutions Limited and the ASX ticker code changed to ASX: WNB on 3 December 2018.

The Giving Brands Company (GBCo)

The Giving Brands Company Pty Ltd, a wholly owned subsidiary of WNB, is a fully integrated brand immersion company that owns, licenses and partners with multiple brands in the wellness, beauty and lifestyle industry. The company has extensive management and operational experience in the development, manufacture, distribution and marketing of brands, a proven track record of creating clear rich brand stories, and strong relationships with retailers.

GBCo's brands are sold to the professional and retail markets and include: Jbronze, ELLE Makeup, ELLE Kids, ELLE Baby, TANNED, nailKALM, private label brands for MYER, and products under development for Country Style and the Australian Women's Weekly magazines.

GBCo has strong relationships with major banner groups in the pharmacy sector, including Chemist Warehouse, Priceline and TerryWhite Chemmart. Key relationships for owned, licenced and bespoke brand product ranges were established with Woolworths and Myer during the financial year, further diversifying the Company's retail footprint.

While sales in the financial year were almost exclusively to Australian retailers, GBCo is well advanced in opening new sales channels in international markets for existing bands and new brands currently under development.

GBCo's existing brands include:

- **Jbronze by Jennifer Hawkins**

  GBCo has an exclusive licence agreement for the use of Jbronze by Jennifer Hawkins trademark for its owned tanning range which has been in market since 2013. This licence agreement was extended on 12 June 2019 for a further 3 years, with an additional 2-year option, commencing on 1 July 2019. Jbronze has established a strong market position with banner group pharmacy retailers. In June 2019, WNB announced Jbronze will be sold in 995 Woolworth stores from September 2019, diversifying the brand's retail channels.

- **TANNED**

  In late June 2019, GBCo launched its 12-product safe sunless tanning range TANNED, with mega influencers Natalie Roser and Kris Smith contracted as brand ambassadors. Both ambassadors' large network and extensive social media following, with over 1 million Instagram followers, that provides a strong platform to gain immediate brand awareness and retailer engagement.

- **nailKALM**

  GBCo is licenced to manufacture, sell and distribute nailKALM, a product which contains a proprietary active ingredient (derived from blue-green algae) that is clinically proven to provide effective treatment for nails prone to fungal infections. The Australian Podiatry Association has stated that one in 10 adult Australians are affected by nail fungal infections. nailKALM is 100 percent organic and non-toxic, which is its unique selling proposition to the 1.7M nail fungal sufferers in Australia.

- **ELLE Makeup, ELLE Kids & ELLE Baby**

  GBCo has been granted one of 125 licences in the world by ELLE brand owner, Legardere Active Enterprises (LAE), to design, manufacture and retail beauty, skincare and related products for three ranges - ELLE Makeup, ELLE Kids and ELLE Baby. The 4-year licencing contract is for multiple territories in Australasia, Europe and North America.

  GBCo's ELLE Makeup range includes more than 50 individual product lines, and ELLE Kids and ELLE Baby ranges have more than 35 individual products. The Intellectual Property (IP) for all ELLE Kids and ELLE Baby skincare and personal care product formulations are proprietary to GBCo. The three ranges will be launched in market in 1H'20.

- **MYER - homeware brand ranges**

  In April 2019, GBCo was contracted by Australian department store MYER to design and manufacture three new private label homeware ranges. The new 'Only at MYER' ranges, which include a range of personal care products and unique home fragrancing accessories, have been created exclusively for MYER's homeware department. The range is on track for delivery in 1H'20.

- **Professional and retail - skincare range**

  GBCo is working with Australian model and influencer Brooke Hogan on new product development and brand creative for its bespoke skincare range for the professional and retail markets. Brooke is contracted to be the brand's ambassador and has a strong social media following of more than 700,000 followers that will be a key marketing channel for the brand.

Immersion Clinical Spas

The Company owns and operates a network of nine Immersion Clinical Spas in Australia.

The clinics provide non-invasive medical aesthetic (NIMA) and wellness and beauty services using a highly experienced team of doctors, aesthetic nurse consultants, dermal therapists and beauty consultants.

Ambassador Agreements

The Company signed ambassador agreements with high profile influencers Natalie Roser, Kris Smith and Brooke Hogan as part of GBCo's brand marketing strategy. The ambassadors each elected to take 2,000,000 fully paid ordinary shares at $0.05 per share in the Company (escrowed for 12 months) as part of their brand ambassador services.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.33)	(1.32)

4. Control gained over entities

Name of entities (or group of entities)	The Giving Brands Company Pty Ltd
Date control gained	8 October 2018

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(1,214)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	(3)

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

This report, and the accompanying financial statements, are based upon accounts which are in the process of being audited.

11. Attachments

Details of attachments (if any):

Unaudited summary consolidated financial statements for Wellness and Beauty Solutions Limited and its controlled entities for the year ended 30 June 2019 are attached.

12. Signed

Signed ____________________________ Date: 30 August 2019

Angelos Giannakopoulos
Chairman

Wellness and Beauty Solutions Limited

(Formerly known as Total Face Group Limited)

ABN 43 169 177 833

Preliminary Final Report - 30 June 2019

Wellness and Beauty Solutions Limited
(Formerly known as Total Face Group Limited)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated 30 June 2019 $'000	Consolidated 30 June 2018 $'000
Revenue from continuing operations		9,932	14,708
Other income		-	100
Interest income		35	26
Expenses			
Non refundable deposits lost		-	(100)
Raw materials and consumables used		(4,105)	(4,637)
Contractors		(1,515)	(1,879)
Occupancy expenses		(1,666)	(1,431)
Employee benefits expense		(5,042)	(5,769)
IT & Communications		(542)	(570)
Depreciation and amortisation expense		(1,615)	(1,364)
Impairment losses		(5,278)	(6,611)
Loss (Gain) on disposal		(209)	-
Loss on deferred consideration		-	(309)
Advertising & Marketing		(373)	(499)
Accounting		(196)	(176)
Impairment of receivables		(28)	-
Consultants		(819)	(910)
Director Fees		(111)	(130)
Travel		(112)	(199)
Insurance		(201)	(186)
Other expenses		(599)	(477)
Finance costs		(590)	(322)
Loss before income tax expense from continuing operations		(13,034)	(10,735)
Income tax expense		(135)	-
Loss after income tax expense from continuing operations		(13,169)	(10,735)
Loss after income tax expense from discontinued operations	2	(233)	(946)
Loss after income tax expense for the year attributable to the owners of Wellness and Beauty Solutions Limited		(13,402)	(11,681)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Wellness and Beauty Solutions Limited		(13,402)	(11,681)
Total comprehensive income for the year is attributable to:			
Continuing operations		(13,169)	(10,735)
Discontinued operations		(233)	(946)
		(13,402)	(11,681)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wellness and Beauty Solutions Limited
(Formerly known as Total Face Group Limited)
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

	Note	Consolidated	
		30 June 2019	**30 June 2018**
		$'000	**$'000**
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of Wellness and Beauty Solutions Limited			
Basic earnings per share		(4.57)	(8.51)
Diluted earnings per share		(4.57)	(8.51)
Earnings per share for loss from discontinued operations attributable to the owners of Wellness and Beauty Solutions Limited			
Basic earnings per share		(0.08)	(0.75)
Diluted earnings per share		(0.08)	(0.75)
Earnings per share for loss attributable to the owners of Wellness and Beauty Solutions Limited			
Basic earnings per share		(4.66)	(9.28)
Diluted earnings per share		(4.66)	(9.28)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wellness and Beauty Solutions Limited
(Formerly known as Total Face Group Limited)
Consolidated statement of financial position
As at 30 June 2019

	Note	Consolidated 30 June 2019 $'000	Consolidated 30 June 2018 $'000
Assets			
Current assets			
Cash and cash equivalents		1,043	234
Trade and other receivables		298	226
Inventories		2,188	814
Other assets		714	253
Total current assets		4,243	1,527
Non-current assets			
Property, plant and equipment	3	1,970	3,608
Intangibles	4	7,625	10,668
Deferred tax		-	42
Other assets		376	348
Total non-current assets		9,971	14,666
Total assets		14,214	16,193
Liabilities			
Current liabilities			
Trade and other payables		3,210	2,630
Borrowings		2,473	835
Provisions		278	252
Other liabilities		135	216
Total current liabilities		6,096	3,933
Non-current liabilities			
Borrowings		1,481	3,221
Provisions		174	30
Total non-current liabilities		1,655	3,251
Total liabilities		7,751	7,184
Net assets		6,463	9,009
Equity			
Issued capital	5	36,710	25,854
Accumulated losses		(30,247)	(16,845)
Total equity		6,463	9,009

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Wellness and Beauty Solutions Limited
(Formerly known as Total Face Group Limited)
Consolidated statement of changes in equity
For the year ended 30 June 2019

Consolidated	**Issued capital $'000**	**Retained profits $'000**	**Total equity $'000**
Balance at 1 July 2017	25,300	(5,164)	20,136
Loss after income tax expense for the year	-	(11,681)	(11,681)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(11,681)	(11,681)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 5)	554	-	554
Balance at 30 June 2018	25,854	(16,845)	9,009

Consolidated	**Issued capital $'000**	**Retained profits $'000**	**Total equity $'000**
Balance at 1 July 2018	25,854	(16,845)	9,009
Loss after income tax expense for the year	-	(13,402)	(13,402)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(13,402)	(13,402)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 5)	10,856	-	10,856
Balance at 30 June 2019	36,710	(30,247)	6,463

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Wellness and Beauty Solutions Limited
(Formerly known as Total Face Group Limited)
Consolidated statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 30 June 2019 $'000	Consolidated 30 June 2018 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,392	20,117
Payments to suppliers and employees (inclusive of GST)		(18,055)	(21,532)
Interest received		14	10
Interest and other finance costs paid		(375)	(322)
Net cash used in operating activities		(7,024)	(1,727)
Cash flows from investing activities			
Payments for investments		(8)	(2,670)
Payments for property, plant and equipment	3	(236)	(397)
Payments for intangibles	4	(147)	-
Payments for other non-current assets		-	(303)
Proceeds from disposal of businesses	2	1,400	1,424
Proceeds from disposal of property, plant and equipment		10	-
Net cash acquired on business acquisition		66	-
Net cash from/(used in) investing activities		1,085	(1,946)
Cash flows from financing activities			
Proceeds from issue of shares	5	8,391	-
Proceeds from borrowings		209	-
Proceeds from issue of convertible notes		20	1,290
Proceeds from related party loan		-	534
Share issue transaction costs		(422)	-
Repayment of borrowings		(1,450)	(615)
Release of security deposit		-	50
Net cash from financing activities		6,748	1,259
Net increase/(decrease) in cash and cash equivalents		809	(2,414)
Cash and cash equivalents at the beginning of the financial year		234	2,648
Cash and cash equivalents at the end of the financial year		1,043	234

The above consolidated statement of cash flows include cash flows from discontinued operations as detailed in Note 6.

Note 1. Significant accounting policies

This financial report has been prepared in accordance with International Financial Reporting Standards, other authoritative pronouncements and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2018, the 31 December 2018 half-year financial report and any public announcements made by the Consolidated entity during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as noted below.

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The consolidated entity has concluded that revenue from its sales should be recognised either at the point in time or over the time, when (or as) the consolidated entity satisfies performance obligations by transferring the promised services to its customers and generally this will take place at a point in time.

In applying AASB 15, the consolidated entity has elected to use the modified retrospective approach, with any adjustment required being recognised on 1 July 2018 in retained earnings.

The adoption of AASB 15 did not have an impact on the timing or the amount of revenue recognition.

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

In applying AASB 9, the consolidated entity has elected to use the cumulative effect method, with any adjustment required being recognised on 1 July 2018 in retained earnings.

The adoption of AASB 9 did not have a material impact on the consolidated entity's financial statements and no adjustments were required.

Note 2. Discontinued operations

Description
During the year ended 30 June 2019 the Group sold three clinics:

- The Peninsula clinic (VIC) was sold on 10 August 2018 for consideration of $300,000 resulting in a gain on disposal before income tax of $97,000.
- The Port Melbourne (VIC) clinic was sold on 31 August 2018 for consideration of $300,000 resulting in a loss on disposal before income tax of $134,000.
- The Chatswood (NSW) clinic was sold on 31 August 2018 for consideration of $800,000 resulting in a loss on disposal before income tax of $29,000.

At the time the clinics were sold the Group's liquidity was weak. The sale of these clinics contributed cash to the ongoing operations of the group and enable the group to continue trading whilst additional capital was raised. Capital was then raised in October 2018 to support the growth of the Group's operations.

The comparative figures for the year ended 30 June 2018 include amounts relating to the Fortitude Valley clinic disposed of during that period.

Financial performance information

	Consolidated	
	30 June 2019 $'000	**30 June 2018 $'000**
Sales revenue	376	3,647
Raw materials and consumables used	(177)	(1,116)
Contractors	(84)	(785)
Occupancy expenses	(94)	(663)
Employee benefits expense	(83)	(931)
IT & Communications	(14)	(72)
Depreciation and amortisation expense	(64)	(334)
Advertising & Marketing	-	(47)
Consultants	(8)	(3)
Travel	-	(1)
Other expenses	(19)	(87)
Total expenses	(543)	(4,039)
Loss before income tax expense	(167)	(392)
Income tax expense	-	-
Loss after income tax expense	(167)	(392)
Loss on disposal before income tax	(66)	(554)
Income tax expense	-	-
Loss on disposal after income tax expense	(66)	(554)
Loss after income tax expense from discontinued operations	(233)	(946)

Cash flow information

	Consolidated	
	30 June 2019 $'000	**30 June 2018 $'000**
Net cash provided (used) in operating activities	(113)	28

Note 2. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	30 June 2019 $'000	30 June 2018 $'000
Inventories	190	97
Other current assets	34	-
Property, plant and equipment	504	131
Intangibles	762	1,831
Total assets	1,490	2,059
Provisions	37	31
Total liabilities	37	31
Net assets	1,453	2,028

Details of the disposal

	Consolidated	
	30 June 2019 $'000	30 June 2018 $'000
Total sale consideration	1,400	1,474
Carrying amount of net assets disposed	(1,453)	(2,028)
Disposal costs	(13)	-
Loss on disposal before income tax	(66)	(554)
Loss on disposal after income tax	(66)	(554)

Note 3. Non-current assets - property, plant and equipment

	Consolidated	
	30 June 2019 $'000	30 June 2018 $'000
Leasehold improvements - at cost	1,141	1,316
Less: Accumulated depreciation	(539)	(453)
	602	863
Clinic equipment - at cost	3,152	4,429
Less: Accumulated depreciation	(2,095)	(2,165)
	1,057	2,264
Clinic equipment under lease	1,500	1,846
Less: Accumulated depreciation	(1,267)	(1,439)
	233	407
Motor vehicles - at cost	-	27
Less: Accumulated depreciation	-	(11)
	-	16
Computer equipment - at cost	139	152
Less: Accumulated depreciation	(115)	(94)
	24	58
Office equipment - at cost	98	-
Less: Accumulated depreciation	(44)	-
	54	-
	1,970	3,608

Note 4. Non-current assets - intangibles

	Consolidated	
	30 June 2019 $'000	30 June 2018 $'000
Goodwill - at cost	5,941	8,971
Capitalised development costs - at cost	1,498	1,685
Less: Accumulated amortisation	(320)	-
	1,178	1,685
Website - at cost	149	-
Trademarks and licences - at cost	72	65
Less: Accumulated amortisation	(65)	(53)
	7	12
Formulations - at cost	350	-
	7,625	10,668

Note 4. Non-current assets - intangibles (continued)

	Consolidated 30 June 2019 $'000	Consolidated 30 June 2018 $'000
Intangibles allocated to clinic and the Giving Brands cash generating units	5,941	8,971
Development costs, trademarks and licenses	1,684	1,697
	7,625	10,668

Impairment charges
Based on a discounted cash flow valuation, the carrying amount of goodwill for the clinic CGUs exceeded its recoverable amount and therefore an impairment charge of $5,278,000 has been recognised in the current financial period (2018: $6,611,000).

Note 5. Equity - issued capital

	Consolidated 30 June 2019 Shares	30 June 2018 Shares	30 June 2019 $'000	30 June 2018 $'000
Ordinary shares - fully paid	351,620,733	126,065,644	36,710	25,854

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2017	123,109,683		25,300
Issue of COZmedics acquisition-related shares	30 August 2017	737,211	$0.30	221
Issue of Artisan Rejuvenation Clinic acquisition-related shares	1 November 2017	2,218,750	$0.14	333
Balance	30 June 2018	126,065,644		25,854
Placement to institutional and sophisticated investors	5 October 2018	140,000,000	$0.05	7,000
Rights issue	8 October 2018	27,829,537	$0.05	1,391
Issue of GBCo acquisition-related shares	8 October 2018	51,725,552	$0.05	2,586
Issue of shares pursuant to ambassador agreement	26 March 2019	2,000,000	$0.05	100
Issue of shares pursuant to ambassador agreement	12 April 2019	2,000,000	$0.05	100
Issue of shares pursuant to ambassador agreement	3 May 2019	2,000,000	$0.05	100
Capital raising costs		-	$0.00	(421)
Balance	30 June 2019	351,620,733		36,710

Note 6. Business combinations

The Giving Brands Company Pty Ltd (GBCo)

On 8 October 2018 the Company acquired 100% of the ordinary shares of The Giving Brands Company Pty Ltd (GBCo) for total consideration transferred of $2,586,000, comprising 51,725,552 fully paid shares in the Company. There was no cash consideration issued. GBCo is a brand immersion company that owns, licenses and partners with multiple brands in the beauty industry and was acquired to complement and strengthen the Company's existing place within the Australian beauty and wellness industry. The goodwill of $3,011,000 represents the ability of the consolidated entity to vertically integrate its retail skincare business through the development and rollout by the consolidated entity of a range of skincare products based on GBCo's intellectual property, and the ability of the consolidated entity to diversify and grow its revenue base. The acquired business contributed revenues of $1,282,000 and loss after tax of $1,214,000 to the consolidated entity for the period from 8 October 2018 to 30 June 2019. If the acquisition occurred on 1 July 2018, the full year contributions would have been revenues of $1,570,000 and loss after tax of $1,311,000.

In relation to the business acquisition, the consolidated entity has performed a provisional assessment of the fair value of the assets and liabilities as at the date of the acquisition. For the purposes of the balance sheet, the assets and liabilities have been recorded at their provisional fair values. Under Australian Accounting Standards, the consolidated entity has up to 12 months from the date of acquisition to complete its initial acquisition accounting. The consolidated entity has already commenced this exercise to consider the fair value of intangible assets acquired. As at the date of this report, this assessment is not complete.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	66
Trade receivables	101
Other receivables	19
Inventories	243
Prepayments	11
Other current assets	8
Plant and equipment	41
Formulations and development costs	350
Trade payables	(326)
Other payables	(56)
Accruals	(67)
Employee benefits	(4)
Borrowings	(811)
Net liabilities acquired	(425)
Goodwill	3,011
Acquisition-date fair value of the total consideration transferred	2,586
Representing:	
Wellness and Beauty Solutions Limited shares issued to vendor	2,586
Acquisition costs expensed to profit or loss	198

Note 7. Events after the reporting period

On 16 July 2019, the Company advised its Canberra clinical spa would not be reopened. This decision followed the conclusion of discussions with a party interested in purchasing the clinic when no offer suitable to all parties could be reached. The property has been sublet and assets reassigned across the remaining clinic network.

On 18 July 2019, the Company secured a $4M facility with Timelio Pty Ltd for purchase order (manufacturing) and debtor financing for the brand business. This facility gives flexibility to WNB’s debt structure to more effectively manage working capital requirements, particularly for lead time brand manufacturing and provides adequate headroom to invest in growth of GBCo’s expanding brand portfolio.

On 29 August 2019, the Company announced the acquisition of a leading Sydney-based skincare and beauty distributor True Solutions International Pty Ltd (True Solutions). The acquisition is to be funded through the issue of 10,000,000 Convertible Notes at an issue price of $0.05, equated to an aggregate issue price of $500,000. each note is non-interest bearing and has a maturity date of 31 July 2022. The purchase also includes approximately $1.5m in stock held on consignment that will be acquired as it is sold down by WNB. The issue of the Convertible Notes is subject to the approval of the holders of existing convertible notes issued by the Company. If approval is not obtained, the Company must pay the purchase price in cash on the earlier of the completion of a capital raise or 12 months.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.