FORM 8-K/A

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Wellness Center USA, Inc.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 1 to FORM 8-K (8K/A1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): August 24, 2012

WELLNESS CENTER USA, INC.

(Exact name of registrant as specified in its charter)

NEVADA	333-173216	27-2980395
(State or other jurisdiction of incorporation or organization)	Commission File Number	(IRS Employee Identification No.)

1014 E Algonquin Rd, Ste. 111, Schaumburg, IL, 60173
(Address of Principal Executive Offices)

(847) 925-1885
(Issuer Telephone number)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Explanatory Note

The purpose of this Amendment No. 1 on Form 8-K/A to Wellness Center USA Inc.'s current report on Form 8-K, filed with the United States Securities and Exchange Commission on August 29, 2012 (the "Form 8-K"), is solely to furnish Exhibit 99.2 through 99.4 to the Form 8-K.

No other changes have been made to the Form 8-K. This Amendment No. 1 speaks as of the original filing date of the Form 8-K, does not reflect events that may have occurred subsequent to the original filing date and does not modify or update in any way disclosures made in the original Form 8-K.

Item 1.01 Entry into a Material Definitive Agreement.

On June 21, 2012, the Company entered into an Exchange Agreement ("Exchange Agreement") to acquire all of the issued and outstanding shares of stock in Psoria-Shield Inc. ("PSI"), a Tampa, Florida-based developer and manufacturer of Ultra Violet (UV) phototherapy devices for the treatment of skin diseases, for and in consideration of the issuance of 7,686,797 shares of common stock in the Company.

On August 24, 2012, the Company consummated the share exchange pursuant to the Exchange Agreement.

The Exchange Agreement is included as Exhibit 2.1 to this Current Report and is the legal document that governs the terms of the share exchange described therein and the other actions contemplated by the Exchange Agreement. The discussion of the Exchange Agreement set forth herein is qualified in its entirety by reference to Exhibit 2.1.

Item 2.01 Completion of Disposition or Acquisition of Assets.

On August 24, 2012, the Company consummated the share exchange and acquired all of the issued and outstanding shares of stock in PSI for and in consideration of the issuance of 7,686,797 shares of its common stock pursuant to the Exchange Agreement. The 7,686,797 common shares issued in connection with the share exchange represent 25.3% of the 30,391,570 shares of issued and outstanding common stock of the Company as of the closing of the share exchange under the Exchange Agreement. PSI is now operated as a wholly-owned subsidiary of the Company.

As noted in Item 3.02, the 7,686,797 shares of common stock issued in connection with the share exchange under the Exchange Agreement were issued in reliance upon the exemption from registration requirements under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(2) thereof and Regulation D thereunder. As such, the shares of our common stock may not be offered or sold unless they are registered under the Securities Act or qualify for an exemption from the registration requirements under the Security Act.

Item 3.02 Unregistered Sales of Equity Securities.

The 7,686,797 shares of common stock in the Company issued in connection with the share exchange under the Exchange Agreement were issued in reliance upon the exemption from registration requirements under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(2) thereof and Regulation D thereunder. The Company will rely upon certain representations and warranties of the recipients, including their agreements with respect to restrictions on resale, in support of the satisfaction of the conditions contained in Section 4(2) and Regulation D under the Securities Act.

Item 5.01 Changes in Control of Registrant.

As described in Item 2.01 of this Current Report, on August 24, 2012, the share exchange was completed and the Company issued 7,686,797 shares of common stock. This did not result in a change in control.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

We have executed an employment agreement with Mr. Scot L. Johnson, who will serve as President and CEO of PSI. The agreement is for a term of three years beginning August 24, 2012 and provides a base salary of $150,000, subject to increase, but not decrease, from time to time as determined by the Board of Directors. Employment under the agreement is at will and terminable by either party at any time. If the employment agreement is terminated by the executive for good reason (as defined therein), or by the Company other than for cause (as defined therein), the executive is entitled to pay through the termination date plus three month' s base pay for each full year of service then remaining. If the employment agreement is terminated by the executive for other than good reason, or by the Company for cause, the executive is entitled only to pay through the termination date and a portion of Company shares held by him or for his benefit are subject to forfeiture. The agreement contains covenants not to compete, secrecy and non-interference which apply during employment and continue for a period of two years following termination.

This discussion of the employment agreement is qualified in its entirety by reference to the employment agreement, a copy of which is included as Exhibit 5.1 to this Current Report.

In addition to his employment, upon consummation of the exchange transaction pursuant to the Exchange Agreement, Mr. Johnson was appointed to fill a vacancy in the Board of Directors, to serve until the next annual meeting of the shareholders of the Company.

Mr. Johnson has served as the President, Secretary and as a member of the Board of Directors of PSI since June 2009. He previously served as PSI' s Chief Technology Officer. He has more than 15 years of biomedical engineering and manufacturing experience. His accomplishments include development and life-cycle management of over 30 FDA-cleared, CE marked Class II medical devices (diagnostic and therapeutic). He has also monitored and participated in more than 40 clinical studies, written more than 14 patent applications (five currently published), and has experience managing teams of up to 11 full-time engineers (reporting directly). Before joining PSI, Mr. Johnson served in clinical design engineering and contract manufacturing for Dolphin Medical, developing and manufacturing LED based medical devices. Mr. Johnson has served as a technical consultant and Engineering Director for Axiom Worldwide, LLC, a company that designed, manufactured, and marketed spinal decompression equipment. While working with Axiom Worldwide, LLC, he designed automated chiropractic equipment and electrical stimulation devices, initiated and developed a strategic partnership program, co-developed a certified space technology partnership, authored technical specifications for eight patent applications, and co-developed a successful military sales expansion effort. Mr. Johnson graduated from the University of South Florida in 2000 with a Bachelor of Science in Electrical Engineering and successfully completed his professional project management coursework in Spring 2004 through the Villanova Project Management Institute.

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of PSI business acquired on August 24, 2012: Exhibits 99.2 and 99.3

(b) Pro forma financial information. Exhibits 99.4.

(c) Shell Company Transaction. Not applicable.

(d) Exhibits.

Exhibit No.	**Description**
2.1	Exchange Agreement dated June 21, 2012 by and between Psoria-Shield, Inc. and Wellness Center USA, Inc.
5.1	Employment Agreement dated as of August 24, 2012 by and between Scot L. Johnson and Wellness Center USA, Inc.
99.1	Press Release of Wellness Center USA, Inc. dated August 28, 2012.
99.2	Psoria-Shield, Inc. financial statements as of September 30, 2011 and 2010 and the related statements of operations, stockholders' equity (deficit) and cash flows for the fiscal years then ended, and for the period from June 17, 2009 (inception) through September 30, 2011.
99.3	Psoria-Shield, Inc. financial statements as of June 30, 2012 and 2011 and the related statements of operations, stockholders' equity (deficit) and cash flows for the interim period then ended (Unaudited).
99.4	Wellness Center USA, Inc., CNS and PSI Pro Forma Combined Financial Statements As of and for the nine months ended June 30, 2012 and As of and for the fiscal year ended September 30, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WELLNESS CENTER USA, INC.

Date: January 8, 2013

By: */s/ Andrew J. Kandalepas*
Andrew J. Kandalepas
Chairman, Chief Executive Officer, Principal Accounting Officer, and Chief Financial Officer

Psoria-Shield Inc.

September 30, 2011 and 2010

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Psoria-Shield Inc.
(A Development Stage Company)
Tampa, Florida

We have audited the accompanying balance sheets of Psoria-Shield Inc., a development stage company, ("PSI" or the "Company") as of September 30, 2011 and 2010 and the related statements of operations, stockholders' equity (deficit) and cash flows for the fiscal years then ended, and for the period from June 17, 2009 (inception) through September 30, 2011. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2011 and 2010 and the results of its operations and its cash flows for the fiscal years then ended, and for the period from June 17, 2009 (inception) through September 30, 2011 in conformity with accounting principles generally accepted in the United States of America.

/s/Li and Company, PC
Li and Company, PC

Skillman, New Jersey
January 8, 2013

Psoria -Shield Inc.
(A Development Stage Company)
Balance Sheets

	September 30, 2011	September 30, 2010
Assets		
Current Assets		
Cash	$ 70,318	$ 69,293
Advance to shareholders	-	521
Inventories	523	-
Total current assets	70,841	69,814
Property and Equipment		
Property and equipment	113,901	18,425
Accumulated depreciation	(17,510)	(1,752)
Property and equipment, net	96,391	16,673
Exclusive Licenses		
Exclusive licenses	5,000	-
Accumulated amortization	(188)	-
Exclusive licenses, net	4,812	-
Other Assets		
Security deposit	1,760	1,200
Total other assets	1,760	1,200
Total Assets	$ 173,804	$ 87,687
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	$ 104,274	$ 36,258
Credit cards payable	16,002	2,610
Customer deposits	25,000	-
Advances from shareholders	19,269	6
Total current liabilities	164,545	38,874
Total liabilities	164,545	38,874
Commitments and Contingencies		
Stockholders' Equity (Deficit)		
Common stock, no par value: 10,000,000 shares authorized; 7,464,297 and 6,643,797 shares issued and outstanding, respectively	2,026,964	608,797
Additional paid-in capital	434,570	17,000
Deficit accumulated during the development stage	(2,452,275)	(576,984)
Total stockholders' equity (deficit)	9,259	48,813
Total Liabilities and Stockholders' Equity (Deficit)	$ 173,804	$ 87,687

See accompanying notes to the financial statements.

Psoria -Shield Inc.
(A Development Stage Company)
Statements of Operations

	For the Fiscal Year Ended September 30, 2011	For the Fiscal Year Ended September 30, 2010	June 17, 2009 through September 30, 2011
Revenues	$ -	$ -	$ -
Costs of Goods Sold	-	-	-
Gross Profit	-	-	-
Operating Expenses			
Selling and marketing expense	176,950	44,028	221,408
Professional fees	687,160	101,449	788,609
Rent expenses	32,772	10,272	43,044
Research and development expense	237,368	127,614	366,012
Salary expense	284,646	-	284,646
Salary expense - officers	138,120	128,715	266,835
General and administrative expense	315,610	130,002	479,056
Total operating expenses	1,872,626	542,080	2,449,610
Income (Loss) from Operations	(1,872,626)	(542,080)	(2,449,610)
Other (Income) Expense			
Interest expense	2,665	-	2,665
Total other (income) expense	2,665	-	2,665
Income (Loss) before Income Tax Provision	(1,875,291)	(542,080)	(2,452,275)
Income Tax Provision	-	-	-
Net Income (Loss)	$ (1,875,291)	$ (542,080)	$ (2,452,275)

See accompanying notes to the financial statements.

Psoria -Shield Inc.
(A Development Stage Company)
Statement of Stockholders' Equity (Deficit)
For the period from June 17, 2009 (inception) through September 30, 2011

	Common Stock, No Par Value				
	Number of Shares	Amount	Additional paid-in capital	Deficit Accumulated during the Development Stage	Total Stockholders' Equity (Deficit)
Balance, June 17, 2009 (inception)	-	$ -	$ -	$ -	$ -
Common shares issued to founders pursuant to the exclusive license agreement entered on August 25, 2009	6,000,000	-	-	-	-
Contribution of start up expenses by the founders	-	-	17,000	-	17,000
Net loss	-	-	-	(34,904)	(34,904)
Balance, September 30, 2009	6,000,000	-	17,000	(34,904)	(17,904)
Common shares issued for cash at $1.00 per share during the period from December 8, 2009 through August 30, 2010	573,797	573,797	-	-	573,797
Issuance cost - legal fees	-	(35,000)	-	-	(35,000)
Common shares issued for services valued at $1.00 per share during the fiscal year	70,000	70,000	-	-	70,000
Net loss	-	-	-	(542,080)	(542,080)
Balance, September 30, 2010	6,643,797	608,797	17,000	(576,984)	48,813
Common shares issued for cash at $1.00 per share on November 4, 2010	200,000	200,000	-	-	200,000
Common shares issued for exclusive license on December 11, 2010	5,000	5,000	-	-	5,000
Common shares issued for cash at $2.00 per share during the period from January 20, 2011 through September 14, 2011	380,500	761,000	-	-	761,000
Issuance cost - legal fees	-	(17,833)	-	-	(17,833)
Common shares issued for services valued at $2.00 per share during the period from January 20, 2011 through September 14, 2011	235,000	470,000	-	-	470,000
Options issued for services granted on December 22, 2010	-	-	417,570	-	417,570
Net loss	-	-	-	(1,875,291)	(1,875,291)
Balance, September 30, 2011	7,464,297	$ 2,026,964	$ 434,570	$ (2,452,275)	$ 9,259

See accompanying notes to the financial statements.

Psoria -Shield Inc.
(A Development Stage Company)
Statements of Cash Flows

	For the Fiscal Year Ended September 30, 2011	For the Fiscal Year Ended September 30, 2010	For the Period from June 17, 2009 through September 30, 2011
Cash Flows from Operating Activities			
Net income (loss)	$ (1,875,291)	$ (542,080)	$ (2,452,275)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation expense	15,758	1,752	17,510
Amortization expense	188	-	188
Common shares issued for services	470,000	70,000	540,000
Options issued for services	417,570	-	417,570
Changes in operating assets and liabilities:			
Prepayments and other current assets	-	35,000	-
Inventories	(523)	-	(523)
Security deposit	(560)	(1,200)	(1,760)
Accounts payable	68,016	1,258	104,274
Credit cards payable	13,392	2,610	16,002
Customer deposits	25,000	-	25,000
Net Cash Provided by (Used in) Operating Activities	(866,450)	(432,660)	(1,334,014)
Cash Flows from Investing Activities			
Purchase of property and equipment	(95,476)	(18,425)	(113,901)
Net Cash Used in Investing Activities	(95,476)	(18,425)	(113,901)
Cash Flows from Financing Activities			
Advances from (repayments made to) shareholders	19,784	(18,485)	19,269
Sale of common stock for cash	943,167	538,797	1,481,964
Contributed capital	-	-	17,000
Net Cash Provided by (Used in) Financing Activities	962,951	520,312	1,518,233
Net Change in Cash	1,025	69,227	70,318
Cash - beginning of the period	69,293	66	-
Cash - end of the period	$ 70,318	$ 69,293	$ 70,318
Supplemental disclosure of cash flow information:			
Interest paid	$ -	$ -	$ -
Income tax paid	$ -	$ -	$ -

See accompanying notes to the financial statements.

Note 1 - Organization and Operations

Psoria-Shield Inc.

Psoria-Shield Inc. ("PSI" or the "Company") was incorporated on June 17, 2009 under the laws of the State of Florida. PSI engages in the business of research and development, manufacturing, and marketing and distribution of Ultra Violet ("UV") phototherapy devices for the treatment of skin diseases.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The Company' s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Development Stage Company

The Company is a development stage company as defined by section 915-10-20 of the FASB Accounting Standards Codification. The Company is devoting substantially all of its efforts on establishing the business and its planned principal operations have not commenced. All losses accumulated since inception have been considered as part of the Company's development stage activities.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company' s significant estimates and assumptions include the fair value of financial instruments; allowance for doubtful accounts; the carrying value, recoverability and impairment, if any, of long-lived assets, including the values assigned to and the estimated useful lives of property and equipment; income tax rate, income tax provision, deferred tax assets, deferred tax assets and the valuation allowance of deferred tax assets, and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company follows paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company' s financial assets and liabilities, such as cash, accounts receivable, accounts payable and accrued expenses, payroll liabilities, deferred rent and deferred revenue approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not, however, practical to determine the fair value of advances from Stockholders, if any, due to their related party nature.

Fair Value of Non-Financial Assets or Liabilities Measured on a Recurring Basis

The Company' s non-financial assets include inventories. The Company identifies potentially excess and slow-moving inventories by evaluating turn rates, inventory levels and other factors. Excess quantities are identified through evaluation of inventory aging, review of inventory turns and historical sales experiences. The Company provides lower of cost or market reserves for such identified excess and slow-moving inventories. The Company establishes a reserve for inventory shrinkage, if any, based on the historical results of physical inventory cycle counts.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company' s long-lived assets, which include property and equipment and exclusive licenses, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset' s expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company' s overall strategy with respect to the manner or use of the acquired assets or changes in the Company' s overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company' s stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, is included in operating expenses in the accompanying statements of operations.

Fiscal Year End

The Company elected December 31st as its fiscal year end date for the purpose of tax compliance upon its formation.

The Company elected September 30th as its fiscal year end date for the purpose of audits of its financial statements.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of an allowance for doubtful accounts. The Company follows paragraph 310-10-50-9 of the FASB Accounting Standards Codification to estimate the allowance for doubtful accounts. The Company performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer' s current credit worthiness, as determined by the review of their current credit information; and determines the allowance for doubtful accounts based on historical write-off experience, customer specific facts and economic conditions.

Outstanding account balances are reviewed individually for collectability. The allowance for doubtful accounts is the Company' s best estimate of the amount of probable credit losses in the Company' s existing accounts receivable. Bad debt expense is included in general and administrative expenses, if any. Pursuant to paragraph 310-10-50-2 of the FASB Accounting Standards Codification account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has adopted paragraph 310-10-50-6 of the FASB Accounting Standards Codification and determine when receivables are past due or delinquent based on how recently payments have been received.

There was no allowance for doubtful accounts at September 30, 2011 or 2010.

The Company does not have any off-balance-sheet credit exposure to its customers at September 30, 2011 or 2010.

Inventories

Inventory Valuation

The Company values inventories, consisting of raw materials, packaging material and finished goods, at the lower of cost or market. Cost is determined on the first-in and first-out ("FIFO") method for raw materials and finished goods. Substantially all of the cost of finished goods comprises of the cost of parts purchased from third party vendors as the assembly cost is immaterial. The Company reduces inventories for the diminution of value, resulting from product obsolescence, damage or other issues affecting marketability, equal to the difference between the cost of the inventory and its estimated market value. Factors utilized in the determination of estimated market value include (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new product introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

Inventory Obsolescence and Markdowns

The Company evaluates its current level of inventories considering historical sales and other factors and, based on this evaluation, classify inventory markdowns in the income statement as a component of cost of goods sold pursuant to Paragraph 420-10-S99 of the FASB Accounting Standards Codification to adjust inventories to net realizable value. These markdowns are estimates, which could vary significantly from actual requirements if future economic conditions, customer demand or competition differ from expectations.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful lives. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statements of operations.

Leasehold improvements, if any, are amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever is shorter. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Leases

Lease agreements are evaluated to determine whether they are capital leases or operating leases in accordance with paragraph 840-10-25-1 of the FASB Accounting Standards Codification ("Paragraph 840-10-25-1"). When substantially all of the risks and benefits of property ownership have been transferred to the Company, as determined by the test criteria in Paragraph 840-10-25-1, the lease then qualifies as a capital lease. Capital lease assets are depreciated on a straight line method, over the capital lease assets estimated useful lives consistent with the Company' s normal depreciation policy for property and equipment. Interest charges are expensed over the period of the lease in relation to the carrying value of the capital lease obligation.

Rent expense for operating leases, which may include free rent or fixed escalation amounts in addition to minimum lease payments, is recognized on a straight-line basis over the duration of each lease term.

Intangible Assets Other Than Goodwill

The Company adopted paragraph 350-30-25-3 of the FASB Accounting Standards Codification for intangible assets other than goodwill. Pursuant to paragraph 350-30-25-3 the Company amortizes the acquisition costs of intangible assets other than goodwill inclusive of exclusive licenses on a straight-line basis over their relevant estimated useful lives of twenty (20) years. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Customer Deposits

Customer deposits primarily represent amounts received from customers for future delivery of products, which are fully or partially refundable depending upon the terms and conditions of the sales agreements.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825‑10‑15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Product Warranty

The Company estimates future costs of warranty obligations in accordance with ASC 460-10, which requires an entity to disclose and recognize a liability for the fair value of the obligation it assumes upon issuance of a warranty. The Company warrants most of its products for a specific period of time, usually 12 months, against material defects. The Company provides for the estimated future costs of warranty obligations in cost of revenues when the related revenues are recognized. The accrued warranty costs represent the best estimate at the time of sale of the total costs that the Company will incur to repair or replace product parts that fail while still under warranty. The amount of the accrued estimated warranty costs obligation for established products is primarily based on historical experience as to product failures adjusted for current information on repair costs. For new products, estimates include the historical experience of similar products, as well as reasonable allowance for warranty expenses associated with new products. On a quarterly basis, the Company reviews the accrued warranty costs and updates the historical warranty cost trends, if required.

Commitment and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company' s consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company' s consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company' s business, financial position, and results of operations or cash flows.

Treasury Stock

The Company applies Subtopic 505-30 of the FASB Accounting Standards Codification for treasury stock. Pursuant to Paragraph 505-30-25-9, the difference between the repurchase and resale prices of a corporation's own common stock shall be reflected as part of the capital of a corporation and allocated to the different components within stockholder equity as required by paragraphs 505-30-30-5 through 30-10. Pursuant to Paragraph 505-30-45-1, if a corporation's stock is acquired for purposes other than retirement (formal or constructive), or if ultimate disposition has not yet been decided, the cost of acquired stock may be shown separately as a deduction from the total of capital stock, additional paid-in capital, and retained earnings, or may be accorded the accounting treatment appropriate for retired stock specified in paragraphs 505-30-30-7 through 30-10.

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

The Company derives its revenues from sales contracts with customers with revenues being generated upon the shipment of merchandise. Persuasive evidence of an arrangement is demonstrated via sales invoice or contract; product delivery is evidenced by warehouse shipping log as well as a signed bill of lading from the vessel or rail company and title transfers upon shipment, based on free on board (“FOB”) warehouse terms; the sales price to the customer is fixed upon acceptance of the signed purchase order or contract and there is no separate sales rebate, discount, or volume incentive. When the Company recognizes revenue, no provisions are made for returns because, historically, there have been very few sales returns and adjustments that have impacted the ultimate collection of revenues.

Research and Development

The Company follows paragraph 730-10-25-1 of the FASB Accounting Standards Codification (formerly Statement of Financial Accounting Standards No. 2 *“Accounting for Research and Development Costs”*) and paragraph 730-20-25-11 of the FASB Accounting Standards Codification (formerly Statement of Financial Accounting Standards No. 68 *“Research and Development Arrangements”*) for research and development costs. Research and development costs are charged to expense as incurred. Research and development costs consist primarily of remuneration for research and development staff, depreciation and maintenance expenses of research and development equipment, material and testing costs for research and development as well as research and development arrangements with unrelated third party research and development institutions, if any.

Nonrefundable Advance Payments for Goods or Services to be Used in Future Research and Development Activities

The research and development arrangements usually involve specific research and development projects. Often times, the Company makes non-refundable advances upon signing of these research and development arrangements. The Company adopted paragraph 730-20-25-13 and 730-20-35-1 of the FASB Accounting Standards Codification (formerly Emerging Issues Task Force Issue No. 07-3 *"Accounting for Nonrefundable Advance Payments for Goods or Services to be Used in Future Research and Development Activities"*) for those non-refundable advances. Non-refundable advance payments for goods or services that will be used or rendered for future research and development activities are deferred and capitalized. Such amounts are recognized as an expense as the related goods are delivered or the related services are performed. The management continues to evaluate whether the Company expect the goods to be delivered or services to be rendered. If the management does not expect the goods to be delivered or services to be rendered, the capitalized advance payment are charged to expense.

Stock-Based Compensation for Obtaining Employee Services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If shares of the Company are thinly traded the use of share prices established in the Company' s most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- ☐ Expected term of share options and similar instruments: The expected life of options and similar instruments represents the period of time the option and/or warrant are expected to be outstanding. Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior into the fair value (or calculated value) of the instruments. Pursuant to paragraph 718-10-S99-1, it may be appropriate to use the *simplified method, i.e., expected term = ((vesting term + original contractual term) / 2)*, if (i) A company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time its equity shares have been publicly traded; (ii) A company significantly changes the terms of its share option grants or the types of employees that receive share option grants such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term; or (iii) A company has or expects to have significant structural changes in its business such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term. The Company uses the simplified method to calculate expected term of share options and similar instruments as the company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- ☐ Expected volatility of the entity' s shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- ☐ Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company’ s current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.

- ☐ Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

The Company' s policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

Equity Instruments Issued to Parties Other Than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of Sub-topic 505-50 of the FASB Accounting Standards Codification ("Sub-topic 505-50").

Pursuant to ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If shares of the Company are thinly traded the use of share prices established in the Company' s most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- ☐ Expected term of share options and similar instruments: Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and holder' s expected exercise behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate holder' s expected exercise behavior. If the Company is a newly formed corporation or shares of the Company are thinly traded the contractual term of the share options and similar instruments is used as the expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- ☐ Expected volatility of the entity' s shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- ☐ Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company' s current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.

- ☐ Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

Pursuant to ASC paragraph 505-50-25-7, if fully vested, non-forfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached. A grantor shall recognize the equity instruments when they are issued (in most cases, when the agreement is entered into). Whether the corresponding cost is an immediate expense or a prepaid asset (or whether the debit should be characterized as contra-equity under the requirements of paragraph 505-50-45-1) depends on the specific facts and circumstances. Pursuant to ASC paragraph 505-50-45-1, a grantor may conclude that an asset (other than a note or a receivable) has been received in return for fully vested, non-forfeitable equity instruments that are issued at the date the grantor and grantee enter into an agreement for goods or services (and no specific performance is required by the grantee in order to retain those equity instruments). Such an asset shall not be displayed as contra-equity by the grantor of the equity instruments. The transferability (or lack thereof) of the equity instruments shall not affect the balance sheet display of the asset. This guidance is limited to transactions in which equity instruments are transferred to other than employees in exchange for goods or services. Section 505-50-30 provides guidance on the determination of the measurement date for transactions that are within the scope of this Subtopic.

Pursuant to Paragraphs 505-50-25-8 and 505-50-25-9, an entity may grant fully vested, non-forfeitable equity instruments that are exercisable by the grantee only after a specified period of time if the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions. Any measured cost of the transaction shall be recognized in the same period(s) and in the same manner as if the entity had paid cash for the goods or services or used cash rebates as a sales discount instead of paying with, or using, the equity instruments. A recognized asset, expense, or sales discount shall not be reversed if a stock option that the counterparty has the right to exercise expires unexercised.

Pursuant to ASC paragraph 505-50-30-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the fiscal years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management' s opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no adjustments to its income tax liabilities or benefits pursuant to the provisions of Section 740-10-25 for the fiscal year ended September 30, 2011 or 2010.

Cash Flows Reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently Issued Accounting Pronouncements

FASB Accounting Standards Update No. 2011-08

In September 2011, the FASB issued the FASB Accounting Standards Update No. 2011-08 "*Intangibles–Goodwill and Other: Testing Goodwill for Impairment" ("ASU 2011-08").* This Update is to simplify how public and nonpublic entities test goodwill for impairment. The amendments permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. Under the amendments in this Update, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount.

The guidance is effective for interim and annual periods beginning on or after December 15, 2011. Early adoption is permitted.

FASB Accounting Standards Update No. 2011-11

In December 2011, the FASB issued the FASB Accounting Standards Update No. 2011-11 *"Balance Sheet: Disclosures about Offsetting Assets and Liabilities" ("ASU 2011-11").* This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS.

The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods.

FASB Accounting Standards Update No. 2012-02

In July 2012, the FASB issued the FASB Accounting Standards Update No. 2012-02 "*Intangibles–Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU 2012-02").*

This Update is intended to reduce the cost and complexity of testing indefinite-lived intangible assets other than goodwill for impairment. This guidance builds upon the guidance in ASU 2011-08, entitled *Testing Goodwill for Impairment*. ASU 2011-08 was issued on September 15, 2011, and feedback from stakeholders during the exposure period related to the goodwill impairment testing guidance was that the guidance also would be helpful in impairment testing for intangible assets other than goodwill.

The revised standard allows an entity the option to first assess qualitatively whether it is more likely than not (that is, a likelihood of more than 50 percent) that an indefinite-lived intangible asset is impaired, thus necessitating that it perform the quantitative impairment test. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not that the asset is impaired.

This Update is effective for annual and interim impairment tests performed in fiscal years beginning after September 15, 2012. Earlier implementation is permitted.

Other Recently Issued, but not yet Effective Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Note 3 – Financial Conditions

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying financial statements, the Company had a deficit accumulated during the development stage at September 30, 2011, a net loss and net cash used in operating activities for the fiscal year then ended, respectively.

While the Company is attempting to commence operations and generate sufficient revenues, the Company' s cash position may not be sufficient enough to support the Company' s daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate sufficient revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate sufficient revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company' s ability to further implement its business plan and generate sufficient revenues.

The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Inventories

Inventories consisted of the following:

	September 30, 2011	September 30, 2010
Raw materials	$ 523	$ -
Finished goods	-	-
	$ 523	$ -

Slow-Moving or Obsolescence Markdowns

The Company recorded no inventory obsolescence adjustments for the fiscal year ended September 30, 2011 or 2010.

Lower of Cost or Market Adjustments

There was no lower of cost or market adjustments for the fiscal year ended September 30, 2011 or 2010.

Note 5 – Property and Equipment

Property and equipment, stated at cost, less accumulated depreciation, consisted of the following:

	Estimated Useful Life (Years)	September 30, 2011	September 30, 2010
Computer equipment	5	$ 12,295	$ 6,724
Furniture and fixture	7	28,377	1,114
Leasehold improvement	5	20,907	-
Software	3	52,322	10,587
		113,901	18,425
Less accumulated depreciation and amortization		(17,510)	(1,752)
		$ 96,391	$ 16,673

Depreciation and Amortization Expense

Depreciation expense for the fiscal year ended September 30, 2011 and 2010 was $15,758 and $1,752, respectively.

Impairment

The Company completed the annual impairment test of equipment and determined that there was no impairment as the fair value of property and equipment, substantially exceeded their carrying values as of September 30, 2011 and 2010.

Note 6 – Exclusive Licenses

Exclusive License Agreements

(i) Exclusive License Agreement for Provisional Patent No. 1 Signed on August 25, 2009

Grant of License

An exclusive license agreement ("Exclusive License Agreement") was made and entered into on August 25, 2009, by and among Scot L. Johnson ("Johnson"), Edwin T. Longo ("Longo", and together with Johnson collectively referred to herein as "Licensors"), and Psoria-Shield Inc. ("PSI" or "Licensee").

Upon the execution of the Exclusive License Agreement, Licensee acquired, and Licensors granted to Licensee, for the duration of the License Term (as defined below), the sole and exclusive (including to the exclusion of Licensors), worldwide, paid-up, royalty-free right and license under the Licensed Patents, Know-how, Technical Data, and any Improvements as defined in the Exclusive License Agreement to develop, make, have made, use, sell, offer to sell, distribute, export, import, and otherwise commercialize the Licensed Product(s) in the Field. This license shall include the right of Licensee to grant sublicenses and distribution rights in the Field.

Consideration for License

As the sole and exclusive consideration for the rights and license granted in the Exclusive License Agreement, each of the Licensors received, on the date of signing, 3,000,000 shares of the common stock of the Licensee, or 6,000,000 shares in aggregate, which were valued at the stockholders' cost basis of nil.

License Term

The term of the rights and license granted herein shall commence upon the date of signing of the Exclusive License Agreement and shall continue in effect in perpetuity unless and to the extent terminated as set forth in Sections 5.2 through 5.4 of the License Term of the Exclusive License Agreement.

The License may be terminated at any time by the mutual written agreement of each of the Licensors and Licensee.

(ii) *Exclusive License Agreement for Provisional Patent No. 2 Signed on December 11, 2010*

Grant of License

An exclusive license agreement ("Exclusive License Agreement") was made and entered into on December 11, 2010, by and between Scot L. Johnson ("Johnson" or referred to herein as "Licensor"), and Psoria-Shield Inc. ("PSI" or "Licensee").

Upon the execution of the Exclusive License Agreement, Licensee acquired, and Licensor granted to Licensee, for the duration of the License Term (as defined below), the sole and exclusive (including to the exclusion of Licensor), worldwide, paid-up, royalty-free right and license under the Licensed Patents, Know-how, Technical Data, and any Improvements as defined in the Exclusive License Agreement to develop, make, have made, use, sell, offer to sell, distribute, export, import, and otherwise commercialize the Licensed Product(s) in the Field. This license shall include the right of Licensee to grant sublicenses and distribution rights in the Field.

Consideration for License

As the sole and exclusive consideration for the rights and license granted in the Exclusive License Agreement, the Licensor received, on the date of signing, 5,000 shares of the common stock of the Licensee, which was valued at the stockholder' s cost basis of $5,000.

License Term

The term of the rights and licenses granted herein shall commence upon the date of signing of the Exclusive License Agreement and shall continue in effect in perpetuity unless and to the extent terminated as set forth in Sections 5.2 through 5.4 of the License Term of the Exclusive License Agreement.

The License may be terminated at any time by the mutual written agreement of each of the Licensors and Licensee.

Summary of Exclusive Licenses

Exclusive licenses, stated at cost, less accumulated amortization, consisted of the following:

	Estimated Useful Life (Years)	September 30, 2011	September 30, 2010
Exclusive licenses	20	$ 5,000	$ -
Less accumulated amortization		(188)	(-)
		$ 4,812	$ -

Amortization Expense

Amortization expense for the fiscal year ended September 30, 2011 was $188.

Impairment

The Company completed the annual impairment test of exclusive licenses and determined that there was no impairment as the fair value of exclusive licenses, substantially exceeded their carrying values as of September 30, 2011.

Note 7 – Related Party Transactions

Related Parties

Related parties with whom the Company had transactions are:

Related Parties	Relationship
Scot Johnson	President and Chief Executive Officer
Edwin T. Longo	Significant stockholder

Advances from Stockholders

From time to time, Stockholders of the Company advance funds to the Company for working capital purpose. Those advances are unsecured, non-interest bearing and due on demand.

Note 8 – Commitments and Contingencies

Operating Lease

On January 4, 2011 the Company entered into a non-cancellable lease for office space of approximately 3,050 square feet of rentable area in Tampa, Florida with a third party for a period of 12 months from the date of signing at $3,000 per month plus tax and common charges.

On January 4, 2012 the Company renewed the non-cancellable lease for an additional 12 months expiring January 3, 2013 with the same terms and conditions

Future minimum lease payments inclusive of related tax required under the non-cancelable operating lease are as follows:

Fiscal year ending September 30:	
2012	$ 38,520
2013	9,630
	$ 48,150

Note 9 – Stockholders' Equity (Deficit)

Shares Authorized

Upon formation the total number of shares of all classes of stock which the Company is authorized to issue is Ten Million (10,000,000) shares of which Ten Million (10,000,000) shares shall be Common Stock, no par value.

Common Stock

Issuance of Common Stock per Exclusive License Agreements

Prior to August 25, 2009, the Company was inactive.

On August 25, 2009 the Company entered into an exclusive license agreement ("Exclusive License Agreement") for Provisional Patent No. 1 with and issued to the Company' s founders 6,000,000 shares of its common stock valued at the cost basis of the Company' s founders of nil.

On December 11, 2010 the Company entered into an exclusive license agreement (“Exclusive License Agreement”) for Provisional Patent No. 2 with and issued to the Company’ s president and chief executive officer 5,000 shares of its common stock valued at the stockholder’ s cost basis of $5,000.

Sale of Common Stock

During the period from December 8, 2009 through August 30, 2010 the Company issued 573,797 shares of its common stock for cash at $1.00 per share or $573,797 in aggregate. The Company incurred $35,000 in legal cost in connection with the sale and issuance of its common stock.

On November 4, 2010 the Company issued 200,000 shares of its common stock for cash at $1.00 per share or $200,000.

During the period from January 20, 2010 through September 14, 2011 the Company issued 380,500 shares of its common stock for cash at $2.00 per share or $761,000 in aggregate. The Company incurred $17,833 in legal cost in connection with the sale and issuance of its common stock.

During the period from October 1, 2011 through November 30, 2011 the Company issued 92,500 shares of its common stock for cash at $2.00 per share or $185,000 in aggregate. The Company incurred $30,000 in legal cost in connection with the sale and issuance of its common stock.

Treasury Stock (Repurchase and Reissuance of Common Stock)

(i) Repurchase of Common Stock

On May 4, 2012, the Company entered into a termination and redemption agreement ("Termination and Redemption Agreement") with Mr. Edwin Longo upon Mr. Longo' s resignation, whereby the Company acquired 2,000,000 shares of its common stock ("Redeemed Shares") in cash at $0.05 per share for $100,000 ("Redemption Price"). The Redemption Price shall be paid by the Company to Mr. Longo in installments on a schedule and in amounts determined from time to time by the Board (each such payment, a "Redemption Payment"). Each Redemption Payment shall be paid by the Company to Mr. Longo in cash or by check at such times and in such amounts as determined from time to time by the Board.

(ii) Reissuance of Common Stock

During the period from May 4, 2012 through June 15, 2012 the Company issued 240,000 shares of its treasury stock for cash at $0.30 per share or $72,000 in aggregate, $12,000 and $60,000 were recorded as common stock and additional paid-in capital, respectively.

During the period from July 3, 2012 through August 17, 2012 the Company issued 233,333 shares of its treasury stock for cash at $0.30 per share or $70,000 in aggregate, $11,667 and $58,333 were recorded as common stock and additional paid-in capital, respectively.

During the period from July 3, 2012 through August 17, 2012 the Company issued 1,526,667 shares of its treasury stock for services valued at cost of $0.05 per share or $76,333 in aggregate, which were recorded as common stock and consulting fees, respectively.

Issuance of Common Stock to Parties Other Than Employees for Acquiring Goods or Services

During the period from December 8, 2009 through August 30, 2010 the Company issued 70,000 shares of its common stock for services valued at $1.00 per share or $70,000 in aggregate.

During the period from January 20, 2011 through September 14, 2011 the Company issued 235,000 shares of its common stock for services valued at $2.00 per share or $470,000 in aggregate.

During the period from May 4, 2012 through August 17, 2012 the Company issued 130,000 shares of its common stock for services valued at $0.30 per share or $39,000 in aggregate.

2010 Stock Option Plan as Amended

Adoption of 2010 Non-Qualified Stock Option Plan ("2010 Stock Option Plan")

On December 20, 2010, the Company' s board of directors approved the adoption of the "2010 Non-Qualified Stock Option Plan" ("2010 Stock Option Plan") by unanimous consent. The 2010 Option Plan was initiated to encourage and enable officers, directors, consultants, advisors and key employees of the Company to acquire and retain a proprietary interest in the Company by ownership of its common stock. A total of 1,000,000 of the authorized shares of the Company' s common stock may be subject to, or issued pursuant to, the terms of the plan.

The Company' s policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award. Additionally, the Company' s policy is to issue new shares of common stock to satisfy stock option exercises.

2012 Amendment to the 2010 Stock Option Plan

On February 22, 2012, the Company' s Board of Directors adopted and approved the Amended and Restated 2010 Stock Option Plan to increase the number of shares of the Company' s common stock available for issuance thereunder from 1,000,000 shares to 1,500,000 shares of the Company' s common stock (the "Amended and Restated 2010 Stock Option Plan").

December 22, 2010 Issuance

On December 22, 2010, the Company granted (i) options to purchase 450,000 shares of its common stock with an exercise price of $1.00 per share expiring ten (10) years from the date of grant to its employees for their services; and (ii) an option to purchase 300,000 shares of its common stock with an exercise price of $1.00 per share expiring ten (10) years from the date of grant to a consultant and a member of its Medical Advisory Board as part of his professional services.

The stock options were valued on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	December 22, 2010	December 22, 2010
	Board of Directors and Employees	Non-employees
Expected life (year)	5	10
Expected volatility (*)	63.51%	63.51%
Expected annual rate of quarterly dividends	0.00%	0.00%
Risk-free rate(s)	2.09%	2.09%

* As a privately-held entity it is not practicable for the Company to estimate the expected volatility of its share price. The Company selected five (5) comparable public companies listed on NYSE MKT and NASDAQ Capital Market within medical device industry which the Company plans to engage in to calculate the expected volatility. The Company calculated those five (5) comparable companies' historical volatility over the expected life and averaged them as its expected volatility.

The Company estimated the fair value of the stock options on the date of grant using the Black-Scholes Option Pricing Model at $246,150 and $171,420, or $417,570 in aggregate, which were recorded as additional paid-in capital and employee compensation and consulting fees, respectively.

February 22, 2012 Issuance

On February 22, 2012, the Company granted (i) options to purchase 410,000 shares of its common stock with an exercise price of $2.00 per share expiring ten (10) years from the date of grant to its employees for their services; and (ii) an option to purchase 240,000 shares of its common stock with an exercise price of $2.00 per share expiring ten (10) years from the date of grant to a consultant and a member of its Medical Advisory Board as part of his professional services.

The stock options were valued on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	February 22, 2012	February 22, 2012
	Board of Directors and Employees	Non-employees
Expected life (year)	5	10
Expected volatility (*)	66.43%	66.43%
Expected annual rate of quarterly dividends	0.00%	0.00%
Risk-free rate(s)	2.01%	2.01%

* As a privately-held entity it is not practicable for the Company to estimate the expected volatility of its share price. The Company selected five (5) comparable public companies listed on NYSE MKT and NASDAQ Capital Market within nutritional supplements industry which the Company plans to engage in to calculate the expected volatility. The Company calculated those five (5) comparable companies' historical volatility over the expected life and averaged them as its expected volatility.

The Company estimated the fair value of the stock options on the date of grant using the Black-Scholes Option Pricing Model at $463,382 and $282,000, or $745,382 in aggregate, which were recorded as additional paid-in capital and employee compensation and consulting fees, respectively.

Summary of the Company's Stock Option Activities

The table below summarizes the Company' s stock option activities:

	Number of Option Shares	Exercise Price Range Per Share	Weighted Average Exercise Price	Fair Value at Date of Grant	Aggregate Intrinsic Value
		$	$		$
Balance, September 30, 2010	-	-	-	-	-
Granted	750,000	1.00	1.00	417,570	-
Canceled	-	-	-		-
Exercised	-	-	-		-
Expired	-	-	-		-
Balance, September 30, 2011	750,000	1.00	1.00	417,570	-
Granted	650,000	2.00	2.00	745,382	-
Canceled	-	-	-		-
Exercised	-	-	-		-
Expired	-	-	-		-
Balance, September 30, 2012	1,400,000	$ 1.46	$ 1.46	$ 1,162,952	$ -

Vested and exercisable, September 30, 2012	1,400,000	$	1.46	$	1.46	$	1,162,952	$	-
Unvested, September 30, 2012	-	$	-	$	-	$	-	$	-

The following table summarizes information concerning outstanding and exercisable options as of September 30, 2012:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	**Number Outstanding**	**Average Remaining Contractual Life (in years)**	**Weighted Average Exercise Price**	**Number Exercisable**	**Average Remaining Contractual Life (in years)**	**Weighted Average Exercise Price**
$1.00	750,000	8.20	$ 1.00	750,000	8.20	$ 1.00
$2.00	650,000	9.40	2.00	650,000	9.40	2.00
$1.00 - 2.00	1,400,000	8.76	$ 1.46	1,400,000	8.76	$ 1.46

As of September 30, 2012, there were 100,000 shares of stock options remaining available for issuance under the 2010 Stock Option Plan.

Additional Paid-in Capital

The Company' s founders expended start up expenses of $17,000 through the formation of the Company, which was contributed to the Company as additional paid-in capital upon formation.

Note 10 - Income Tax Provision

Deferred Tax Assets

At September 30, 2011, the Company had net operating loss ("NOL") carry-forwards for Federal income tax purposes of $2,452,275 that may be offset against future taxable income through 2031. No tax benefit has been reported with respect to these net operating loss carry-forwards because the Company believes that the realization of the Company' s net deferred tax assets of approximately $833,774 was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are offset by a full valuation allowance.

Deferred tax assets consist primarily of the tax effect of NOL carry-forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty regarding its realizability. The valuation allowance increased approximately $637,599 and $184,308 for the fiscal year ended September 30, 2011 and 2010, respectively.

Components of deferred tax assets in the balance sheets are as follows:

	September 30, 2011	September 30, 2010
Net deferred tax assets - non-current:		
Expected income tax benefit from NOL carry-forwards	833,774	196,175
Less valuation allowance	(833,774)	(196,175)
Deferred tax assets, net of valuation allowance	$ -	$ -

Income Tax Provision in the Statements of Operations

A reconciliation of the federal statutory income tax rate and the effective income tax rate as a percentage of income before income tax provision is as follows:

	For the fiscal year ended September 30, 2011	For the fiscal year ended September 30, 2010
Federal statutory income tax rate	34.0%	34.0%
Change in valuation allowance on net operating loss carry-forwards	(34.0)	(34.0)
Effective income tax rate	0.0%	0.0%

Tax Returns Remaining subject to Internal Revenue Service Audits

The federal income tax returns for the fiscal year ended December 31, 2009 through 2011 were filed on September 15, 2010, September 15, 2011, and September 17, 2012, respectively. The Company is not required to file a state tax return. Federal tax returns will remain subject to audit under the statute of limitations by the Internal Revenue Service for a period of three (3) years from the date they are filed.

Note 11 – Subsequent Events

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were certain reportable subsequent events to be disclosed as follows:

Loan payable

In January, 2012, PSI obtained a loan in the amount of $20,000, from an unrelated third party individual, with a simple interest at 10% per annum, with principal and interest originally due December 31, 2012 which was extended to June 30, 2013.

Acquisition of Psoria-Shield Inc. by Wellness Center USA, Inc.

On June 21, 2012, Wellness Center USA, Inc. ("WCUI") entered into an Exchange Agreement (“Exchange Agreement”) to acquire all of the issued and outstanding shares of capital stock of PSI. On August 24, 2012, WCUI consummated the share exchange and acquired all of the issued and outstanding shares of stock in PSI for and in consideration of the issuance of 7,686,797 shares of WCUI's common stock pursuant to the Exchange Agreement. The 7,686,797 common shares issued in connection with the share exchange represent 25.3% of the 30,391,570 shares of issued and outstanding common stock of WCUI as of the closing of the share exchange under the Exchange Agreement. PSI is now operated as a wholly-owned subsidiary of WCUI.

Psoria-Shield Inc.

June 30, 2012 and 2011

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Psoria -Shield Inc.

Balance Sheets

	June 30, 2012 (Unaudited)	September 30, 2011
Assets		
Current Assets		
Cash	$ 768	$ 70,318
Inventories	14,562	523
Total current assets	15,330	70,841
Property and Equipment		
Property and equipment	125,508	113,901
Accumulated depreciation	(44,098)	(17,510)
Property and equipment, net	81,410	96,391
Exclusive Licenses		
Exclusive licenses	5,000	5,000
Accumulated amortization	(375)	(188)
Exclusive licenses, net	4,625	4,812
Other Assets		
Security deposit	1,760	1,760
Total other assets	1,760	1,760
Total Assets	$ 103,125	$ 173,804
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	$ 179,124	$ 104,274
Credit cards payable	42,840	16,002
Customer deposits	25,000	25,000
Accrued warranty	9,600	-
Current maturity of long-term payable	72,653	-
Loan payable	20,000	-
Advances from shareholders	237,994	19,269
Total current liabilities	587,211	164,545
Total liabilities	587,211	164,545
Commitments and Contingencies		
Stockholders' Equity (Deficit)		
Common stock, no par value: 10,000,000 shares authorized; 5,796,797 and 7,464,297 shares issued and outstanding, respectively	2,093,964	2,026,964
Additional paid-in capital	1,239,952	434,570
Accumulated deficit	(3,818,002)	(2,452,275)
Total stockholders' equity (deficit)	(484,086)	9,259
Total Liabilities and Stockholders' Equity (Deficit)	$ 103,125	$ 173,804

See accompanying notes to the financial statements.

Psoria -Shield Inc.

Statements of Operations

	For the Nine Months Ended June 30, 2012 (Unaudited)	For the Nine Months Ended June 30, 2011 (Unaudited)
Revenues	$ 91,000	$ -
Costs of Goods Sold	59,289	-
Gross Profit	31,711	-
Operating Expenses		
Selling and marketing expense	174,717	75,585
Professional fees	297,427	196,898
Rent expenses	32,100	23,142
Research and development expense	70,284	186,059
Salary expense	527,878	264,838
Salary expense - officers	51,000	96,120
General and administrative expense	237,051	208,885
Total operating expenses	1,390,457	1,051,527
Income (Loss) from Operations	(1,358,746)	(1,051,527)
Other (Income) Expense		
Interest expense	6,981	1,779
Total other (income) expense	6,981	1,779
Income (Loss) before Income Tax Provision	(1,365,727)	(1,053,306)
Income Tax Provision	-	-
Net Income (Loss)	$ (1,365,727)	$ (1,053,306)

See accompanying notes to the financial statements.

Psoria -Shield Inc.

Statement of Stockholders' Equity (Deficit)
For the interim period ended June 30, 2012

	Common Stock, No Par Value				
	Number of Shares	Amount	Additional paid-in capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance, June 17, 2009 (inception)	-	$ -	$ -	$ -	$ -
Common shares issued to founders pursuant to the exclusive license agreement entered on August 25, 2009	6,000,000	-	-	-	-
Contribution of start up expenses by the founders	-	-	17,000	-	17,000
Net loss	-	-	-	(34,904)	(34,904)
Balance, September 30, 2009	6,000,000	-	17,000	(34,904)	(17,904)
Common shares issued for cash at $1.00 per share during the period from December 8, 2009 through August 30, 2010	573,797	573,797	-	-	573,797
Issuance cost - legal fees	-	(35,000)	-	-	(35,000)
Common shares issued for services valued at $1.00 per share during the fiscal year	70,000	70,000	-	-	70,000
Net loss	-	-	-	(542,080)	(542,080)
Balance, September 30, 2010	6,643,797	608,797	17,000	(576,984)	48,813
Common shares issued for cash at $1.00 per share on November 4, 2010	200,000	200,000	-	-	200,000
Common shares issued for exclusive license on December 11, 2010	5,000	5,000	-	-	5,000
Common shares issued for cash at $2.00 per share during the period from January 20, 2011 through September 14, 2011	380,500	761,000	-	-	761,000
Issuance cost - legal fees	-	(17,833)	-	-	(17,833)
Common shares issued for services valued at $2.00 per share during the period from January 20, 2011 through September 14, 2011	235,000	470,000	-	-	470,000
Options issued for services granted on December 22, 2010	-	-	417,570	-	417,570
Net loss	-	-	-	(1,875,291)	(1,875,291)
Balance, September 30, 2011	7,464,297	2,026,964	434,570	(2,452,275)	9,259
Common shares issued for cash at $2.00 per share during the period from October 1, 2011 through November 30, 2011	92,500	185,000	-	-	185,000
Issuance cost - legal fees	-	(30,000)	-	-	(30,000)
Options issued for services on February 22, 2012	-	-	745,382	-	745,382
Common shares bought back per termination and redemption agreement entered on May 4, 2012	(2,000,000)	(100,000)	-	-	(100,000)
Treasury shares issued for cash at $0.30 per share during the period from May 4, 2012 through June 15, 2012	240,000	12,000	60,000	-	72,000
Net loss	-	-	-	(1,365,727)	(1,365,727)
Balance, June 30, 2012	5,796,797	$ 2,093,964	$ 1,239,952	$ (3,818,002)	$ (484,086)

See accompanying notes to the financial statements.

Psoria -Shield Inc.

Statements of Cash Flows

	For the Nine Months Ended June 30, 2012 (Unaudited)	For the Nine Months Ended June 30, 2011 (Unaudited)
Cash Flows from Operating Activities		
Net income (loss)	$ (1,365,727)	$ (1,053,306)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation expense	26,588	9,221
Amortization expense	187	125
Options issued for services	805,382	417,570
Changes in operating assets and liabilities:		
Prepayments and other current assets	-	(17,858)
Inventories	(14,039)	(523)
Security deposit	-	(560)
Accounts payable	74,850	31,477
Credit cards payable	26,838	25,766
Accrued warranty	9,600	-
Long-term payable	72,653	-
Net Cash Provided by (Used in) Operating Activities	(363,668)	(588,088)
Cash Flows from Investing Activities		
Purchase of property and equipment	(11,607)	(77,430)
Net Cash Used in Investing Activities	(11,607)	(77,430)
Cash Flows from Financing Activities		
Proceeds from loan payable	20,000	-
Advances from shareholders	118,725	14,787
Sale of common stock for cash	167,000	598,167
Net Cash Provided by (Used in) Financing Activities	305,725	612,954
Net Change in Cash	(69,550)	(52,564)
Cash - beginning of the period	70,318	69,293
Cash - end of the period	$ 768	$ 16,729
Supplemental disclosure of cash flow information:		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -

See accompanying notes to the financial statements.

Note 1 - Organization and Operations

Psoria-Shield Inc.

Psoria-Shield Inc. ("PSI" or the "Company") was incorporated on June 17, 2009 under the laws of the State of Florida. PSI engages in the business of research and development, manufacturing, and marketing and distribution of Ultra Violet ("UV") phototherapy devices for the treatment of skin diseases.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for the interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission ("SEC") to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim period presented. Unaudited interim results are not necessarily indicative of the results for the full fiscal year. These financial statements should be read in conjunction with the financial statements of the Company for the fiscal year September 30, 2011 and notes thereto contained in the information filed as part of the amended Current Statement on Form 8-K/A, of which this is a part.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The Company' s significant estimates and assumptions include the fair value of financial instruments; allowance for doubtful accounts; the carrying value, recoverability and impairment, if any, of long-lived assets, including the values assigned to and the estimated useful lives of property and equipment; income tax rate, income tax provision, deferred tax assets, deferred tax assets and the valuation allowance of deferred tax assets, and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company follows paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments and paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three (3) levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company' s financial assets and liabilities, such as cash, accounts receivable, accounts payable and accrued expenses, payroll liabilities, deferred rent and deferred revenue approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

It is not, however, practical to determine the fair value of advances from Stockholders, if any, due to their related party nature.

Fair Value of Non-Financial Assets or Liabilities Measured on a Recurring Basis

The Company' s non-financial assets include inventories. The Company identifies potentially excess and slow-moving inventories by evaluating turn rates, inventory levels and other factors. Excess quantities are identified through evaluation of inventory aging, review of inventory turns and historical sales experiences. The Company provides lower of cost or market reserves for such identified excess and slow-moving inventories. The Company establishes a reserve for inventory shrinkage, if any, based on the historical results of physical inventory cycle counts.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of the FASB Accounting Standards Codification for its long-lived assets. The Company' s long-lived assets, which include property and equipment and exclusive licenses, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset' s expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company' s overall strategy with respect to the manner or use of the acquired assets or changes in the Company' s overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company' s stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, is included in operating expenses in the accompanying statements of operations.

Fiscal Year End

The Company elected December 31st as its fiscal year end date for the purpose of tax compliance upon its formation.

The Company elected September 30th as its fiscal year end date for the purpose of audits of its financial statements.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of an allowance for doubtful accounts. The Company follows paragraph 310-10-50-9 of the FASB Accounting Standards Codification to estimate the allowance for doubtful accounts. The Company performs on-going credit evaluations of its customers and adjusts credit limits based upon payment history and the customer' s current credit worthiness, as determined by the review of their current credit information; and determines the allowance for doubtful accounts based on historical write-off experience, customer specific facts and economic conditions.

Outstanding account balances are reviewed individually for collectability. The allowance for doubtful accounts is the Company' s best estimate of the amount of probable credit losses in the Company' s existing accounts receivable. Bad debt expense is included in general and administrative expenses, if any. Pursuant to paragraph 310-10-50-2 of the FASB Accounting Standards Codification account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. The Company has adopted paragraph 310-10-50-6 of the FASB Accounting Standards Codification and determine when receivables are past due or delinquent based on how recently payments have been received.

There was no allowance for doubtful accounts at June 30, 2012 or September 30, 2011.

The Company does not have any off-balance-sheet credit exposure to its customers at June 30, 2012 or September 30, 2011.

Inventories

Inventory Valuation

The Company values inventories, consisting of raw materials, packaging material and finished goods, at the lower of cost or market. Cost is determined on the first-in and first-out ("FIFO") method for raw materials and finished goods. Substantially all of the cost of finished goods comprises of the cost of parts purchased from third party vendors as the assembly cost is immaterial. The Company reduces inventories for the diminution of value, resulting from product obsolescence, damage or other issues affecting marketability, equal to the difference between the cost of the inventory and its estimated market value. Factors utilized in the determination of estimated market value include (i) current sales data and historical return rates, (ii) estimates of future demand, (iii) competitive pricing pressures, (iv) new product introductions, (v) product expiration dates, and (vi) component and packaging obsolescence.

Inventory Obsolescence and Markdowns

The Company evaluates its current level of inventories considering historical sales and other factors and, based on this evaluation, classify inventory markdowns in the income statement as a component of cost of goods sold pursuant to Paragraph 420-10-S99 of the

FASB Accounting Standards Codification to adjust inventories to net realizable value. These markdowns are estimates, which could vary significantly from actual requirements if future economic conditions, customer demand or competition differ from expectations.

Property and Equipment

Property and equipment is recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful lives. Upon sale or retirement, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statements of operations.

Leasehold improvements, if any, are amortized on a straight-line basis over the term of the lease or the estimated useful lives, whichever is shorter. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Leases

Lease agreements are evaluated to determine whether they are capital leases or operating leases in accordance with paragraph 840-10-25-1 of the FASB Accounting Standards Codification ("Paragraph 840-10-25-1"). When substantially all of the risks and benefits of property ownership have been transferred to the Company, as determined by the test criteria in Paragraph 840-10-25-1, the lease then qualifies as a capital lease. Capital lease assets are depreciated on a straight line method, over the capital lease assets estimated useful lives consistent with the Company' s normal depreciation policy for property and equipment. Interest charges are expensed over the period of the lease in relation to the carrying value of the capital lease obligation.

Rent expense for operating leases, which may include free rent or fixed escalation amounts in addition to minimum lease payments, is recognized on a straight-line basis over the duration of each lease term.

Intangible Assets Other Than Goodwill

The Company adopted paragraph 350-30-25-3 of the FASB Accounting Standards Codification for intangible assets other than goodwill. Pursuant to paragraph 350-30-25-3 the Company amortizes the acquisition costs of intangible assets other than goodwill inclusive of exclusive licenses on a straight-line basis over their relevant estimated useful lives of twenty (20) years. Upon becoming fully amortized, the related cost and accumulated amortization are removed from the accounts.

Customer Deposits

Customer deposits primarily represent amounts received from customers for future delivery of products, which are fully or partially refundable depending upon the terms and conditions of the sales agreements.

Related Parties

The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825‑10‑15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Product Warranty

The Company estimates future costs of warranty obligations in accordance with ASC 460-10, which requires an entity to disclose and recognize a liability for the fair value of the obligation it assumes upon issuance of a warranty. The Company warrants most of its products for a specific period of time, usually 12 months, against material defects. The Company provides for the estimated future costs of warranty obligations in cost of revenues when the related revenues are recognized. The accrued warranty costs represent the best estimate at the time of sale of the total costs that the Company will incur to repair or replace product parts that fail while still under warranty. The amount of the accrued estimated warranty costs obligation for established products is primarily based on historical experience as to product failures adjusted for current information on repair costs. For new products, estimates include the historical experience of similar products, as well as reasonable allowance for warranty expenses associated with new products. On a quarterly basis, the Company reviews the accrued warranty costs and updates the historical warranty cost trends, if required.

Commitment and Contingencies

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company' s consolidated financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company' s consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company' s business, financial position, and results of operations or cash flows.

Treasury Stock

The Company applies Subtopic 505-30 of the FASB Accounting Standards Codification for treasury stock. Pursuant to Paragraph 505-30-25-9, the difference between the repurchase and resale prices of a corporation's own common stock shall be reflected as part of the capital of a corporation and allocated to the different components within stockholder equity as required by paragraphs 505-30-30-5 through 30-10. Pursuant to Paragraph 505-30-45-1, if a corporation's stock is acquired for purposes other than retirement (formal or constructive), or if ultimate disposition has not yet been decided, the cost of acquired stock may be shown separately as a deduction from the total of capital stock, additional paid-in capital, and retained earnings, or may be accorded the accounting treatment appropriate for retired stock specified in paragraphs 505-30-30-7 through 30-10.

Revenue Recognition

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured.

The Company derives its revenues from sales contracts with customers with revenues being generated upon the shipment of merchandise. Persuasive evidence of an arrangement is demonstrated via sales invoice or contract; product delivery is evidenced by warehouse shipping log as well as a signed bill of lading from the vessel or rail company and title transfers upon shipment, based on free on board ("FOB") warehouse terms; the sales price to the customer is fixed upon acceptance of the signed purchase order or contract and there is no separate sales rebate, discount, or volume incentive. When the Company recognizes revenue, no provisions are made for returns because, historically, there have been very few sales returns and adjustments that have impacted the ultimate collection of revenues.

Research and Development

The Company follows paragraph 730-10-25-1 of the FASB Accounting Standards Codification (formerly Statement of Financial Accounting Standards No. 2 *"Accounting for Research and Development Costs"*) and paragraph 730-20-25-11 of the FASB Accounting Standards Codification (formerly Statement of Financial Accounting Standards No. 68 *"Research and Development Arrangements"*) for research and development costs. Research and development costs are charged to expense as incurred. Research and development costs consist primarily of remuneration for research and development staff, depreciation and maintenance expenses of research and development equipment, material and testing costs for research and development as well as research and development arrangements with unrelated third party research and development institutions, if any.

Nonrefundable Advance Payments for Goods or Services to be Used in Future Research and Development Activities

The research and development arrangements usually involve specific research and development projects. Often times, the Company makes non-refundable advances upon signing of these research and development arrangements. The Company adopted paragraph 730-20-25-13 and 730-20-35-1 of the FASB Accounting Standards Codification (formerly Emerging Issues Task Force Issue No. 07-3 *"Accounting for Nonrefundable Advance Payments for Goods or Services to be Used in Future Research and Development Activities"*) for those non-refundable advances. Non-refundable advance payments for goods or services that will be used or rendered for future research and development activities are deferred and capitalized. Such amounts are recognized as an expense as the related goods are delivered or the related services are performed. The management continues to evaluate whether the Company expect the goods to be delivered or services to be rendered. If the management does not expect the goods to be delivered or services to be rendered, the capitalized advance payment are charged to expense.

Stock-Based Compensation for Obtaining Employee Services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of section 718-10-30 of the FASB Accounting Standards Codification. Pursuant to paragraph 718-10-30-6 of the FASB Accounting Standards Codification, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If shares of the Company are thinly traded the use of share prices established in the Company' s most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: The expected life of options and similar instruments represents the period of time the option and/or warrant are expected to be outstanding. Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior into the fair value (or calculated value) of the instruments. Pursuant to paragraph 718-10-S99-1, it may be appropriate to use the *simplified method, i.e., expected term = ((vesting term + original contractual term) / 2)*, if (i) A company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time its equity shares have been publicly traded; (ii) A company significantly changes the terms of its share option grants or the types of employees that receive share option grants such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term; or (iii) A company has or expects to have significant structural changes in its business such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term. The Company uses the simplified method to calculate expected term of share options and similar instruments as the company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- Expected volatility of the entity' s shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company' s current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.

- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

The Company' s policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

Equity Instruments Issued to Parties Other Than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of Sub-topic 505-50 of the FASB Accounting Standards Codification ("Sub-topic 505-50").

Pursuant to ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If shares of the Company are thinly traded the use of share prices established in the Company' s most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and holder' s expected exercise behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate holder' s expected exercise behavior. If the Company is a newly formed corporation or shares of the Company are thinly traded the contractual term of the share options and similar instruments is used as the expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- Expected volatility of the entity' s shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company' s current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.

- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

Pursuant to ASC paragraph 505-50-25-7, if fully vested, non-forfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached. A grantor shall recognize the equity instruments when they are issued (in most cases, when the agreement is entered into). Whether the corresponding cost is an immediate expense or a prepaid asset (or whether the debit should be characterized as contra-equity under the requirements of paragraph 505-50-45-1) depends on the specific facts and circumstances. Pursuant to ASC paragraph 505-50-45-1, a grantor may conclude that an asset (other than a note or a receivable) has been received in return for fully vested, non-forfeitable equity instruments that are issued at the date the grantor and grantee enter into an agreement for goods or services (and no specific performance is required by the grantee in order to retain those equity instruments). Such an asset shall not be displayed as contra-equity by the grantor of the equity instruments. The transferability (or lack thereof) of the equity instruments shall not affect the balance sheet display of the asset. This guidance is limited to transactions in which equity instruments are transferred to other than employees in exchange for goods or services. Section 505-50-30 provides guidance on the determination of the measurement date for transactions that are within the scope of this Subtopic.

Pursuant to Paragraphs 505-50-25-8 and 505-50-25-9, an entity may grant fully vested, non-forfeitable equity instruments that are exercisable by the grantee only after a specified period of time if the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions. Any measured cost of the transaction shall be recognized in the same period(s) and in the same manner as if the entity had paid cash for the goods or services or used cash rebates as a sales discount instead of paying with, or using, the equity instruments. A recognized asset, expense, or sales discount shall not be reversed if a stock option that the counterparty has the right to exercise expires unexercised.

Pursuant to ASC paragraph 505-50-30-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

Income Tax Provision

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the fiscal years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification ("Section 740-10-25"). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures.

The estimated future tax effects of temporary differences between the tax basis of assets and liabilities are reported in the accompanying consolidated balance sheets, as well as tax credit carry-backs and carry-forwards. The Company periodically reviews the recoverability of deferred tax assets recorded on its consolidated balance sheets and provides valuation allowances as management deems necessary.

Management makes judgments as to the interpretation of the tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions. In management' s opinion, adequate provisions for income taxes have been made for all years. If actual taxable income by tax jurisdiction varies from estimates, additional allowances or reversals of reserves may be necessary.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no adjustments to its income tax liabilities or benefits pursuant to the provisions of Section 740-10-25 for the interim period ended June 30, 2012 or 2011.

Cash Flows Reporting

The Company adopted paragraph 230-10-45-24 of the FASB Accounting Standards Codification for cash flows reporting, classifies cash receipts and payments according to whether they stem from operating, investing, or financing activities and provides definitions of each category, and uses the indirect or reconciliation method ("Indirect method") as defined by paragraph 230-10-45-25 of the FASB Accounting Standards Codification to report net cash flow from operating activities by adjusting net income to reconcile it to net cash flow from operating activities by removing the effects of (a) all deferrals of past operating cash receipts and payments and all accruals of expected future operating cash receipts and payments and (b) all items that are included in net income that do not affect operating cash receipts and payments. The Company reports the reporting currency equivalent of foreign currency cash flows, using the current exchange rate at the time of the cash flows and the effect of exchange rate changes on cash held in foreign currencies is reported as a separate item in the reconciliation of beginning and ending balances of cash and cash equivalents and separately provides information about investing and financing activities not resulting in cash receipts or payments in the period pursuant to paragraph 830-230-45-1 of the FASB Accounting Standards Codification.

Subsequent Events

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09 of the FASB Accounting Standards Codification, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Recently Issued Accounting Pronouncements

FASB Accounting Standards Update No. 2011-08

In September 2011, the FASB issued the FASB Accounting Standards Update No. 2011-08 "*Intangibles−Goodwill and Other:* Testing Goodwill for Impairment" ("ASU 2011-08"). This Update is to simplify how public and nonpublic entities test goodwill for impairment. The amendments permit an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment test described in Topic 350. Under the amendments in this Update, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount.

The guidance is effective for interim and annual periods beginning on or after December 15, 2011. Early adoption is permitted.

FASB Accounting Standards Update No. 2011-11

In December 2011, the FASB issued the FASB Accounting Standards Update No. 2011-11 *"Balance Sheet: Disclosures about Offsetting Assets and Liabilities" ("ASU 2011-11").* This Update requires an entity to disclose information about offsetting and related arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial position. The objective of this disclosure is to facilitate comparison between those entities that prepare their financial statements on the basis of U.S. GAAP and those entities that prepare their financial statements on the basis of IFRS.

The amended guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods.

FASB Accounting Standards Update No. 2012-02

In July 2012, the FASB issued the FASB Accounting Standards Update No. 2012-02 "*Intangibles−Goodwill and Other (Topic 350) Testing Indefinite-Lived Intangible Assets for Impairment" ("ASU 2012-02").*

This Update is intended to reduce the cost and complexity of testing indefinite-lived intangible assets other than goodwill for impairment. This guidance builds upon the guidance in ASU 2011-08, entitled *Testing Goodwill for Impairment*. ASU 2011-08 was issued on September 15, 2011, and feedback from stakeholders during the exposure period related to the goodwill impairment testing guidance was that the guidance also would be helpful in impairment testing for intangible assets other than goodwill.

The revised standard allows an entity the option to first assess qualitatively whether it is more likely than not (that is, a likelihood of more than 50 percent) that an indefinite-lived intangible asset is impaired, thus necessitating that it perform the quantitative impairment test. An entity is not required to calculate the fair value of an indefinite-lived intangible asset and perform the quantitative impairment test unless the entity determines that it is more likely than not that the asset is impaired.

This Update is effective for annual and interim impairment tests performed in fiscal years beginning after September 15, 2012. Earlier implementation is permitted.

Other Recently Issued, but not yet Effective Accounting Pronouncements

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

Note 3 – Financial Conditions

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying financial statements, the Company had an accumulated deficit at June 30, 2012, a net loss and net cash used in operating activities for the interim period then ended, respectively.

While the Company is attempting to generate sufficient revenues, the Company' s cash position may not be sufficient enough to support the Company' s daily operations. Management intends to raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate sufficient revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate sufficient revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company' s ability to further implement its business plan and generate sufficient revenues.

The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 – Inventories

Inventories consisted of the following:

	June 30, 2012	September 30, 2011
Raw materials	$ -	$ 523
Finished goods	-	-
	$ -	$ 523

Slow-Moving or Obsolescence Markdowns

The Company recorded no inventory obsolescence adjustments for the interim period ended June 30, 2012 or 2011.

Lower of Cost or Market Adjustments

There was no lower of cost or market adjustments for the interim period ended June 30, 2012 or 2011.

Note 5 – Property and Equipment

Property and equipment, stated at cost, less accumulated depreciation, consisted of the following:

	Estimated Useful Life (Years)	June 30, 2012	September 30, 2011
Computer equipment	5	$ 13,043	$ 12,295
Furniture and fixture	7	29,736	28,377
Leasehold improvement	5	20,907	20,907
Software	3	61,822	52,322
		125,508	113,901
Less accumulated depreciation and amortization		(44,098)	(17,510)
		$ 81,410	$ 96,391

Depreciation and Amortization Expense

Depreciation expense for the interim period ended June 30, 2012 and 2011 was $26,588 and $9,221, respectively.

Note 6 – Exclusive Licenses

Exclusive License Agreements

(i) *Exclusive License Agreement for Provisional Patent No. 1 Signed on August 25, 2009*

Grant of License

An exclusive license agreement ("Exclusive License Agreement") was made and entered into on August 25, 2009, by and among Scot L. Johnson ("Johnson"), Edwin T. Longo ("Longo", and together with Johnson collectively referred to herein as "Licensors"), and Psoria-Shield Inc. ("PSI" or "Licensee").

Upon the execution of the Exclusive License Agreement, Licensee acquired, and Licensors granted to Licensee, for the duration of the License Term (as defined below), the sole and exclusive (including to the exclusion of Licensors), worldwide, paid-up, royalty-free right and license under the Licensed Patents, Know-how, Technical Data, and any Improvements as defined in the Exclusive License Agreement to develop, make, have made, use, sell, offer to sell, distribute, export, import, and otherwise commercialize the Licensed Product(s) in the Field. This license shall include the right of Licensee to grant sublicenses and distribution rights in the Field.

Consideration for License

As the sole and exclusive consideration for the rights and license granted in the Exclusive License Agreement, each of the Licensors received, on the date of signing, 3,000,000 shares of the common stock of the Licensee, or 6,000,000 shares in aggregate, which were valued at the stockholders' cost basis of nil.

License Term

The term of the rights and license granted herein shall commence upon the date of signing of the Exclusive License Agreement and shall continue in effect in perpetuity unless and to the extent terminated as set forth in Sections 5.2 through 5.4 of the License Term of the Exclusive License Agreement.

The License may be terminated at any time by the mutual written agreement of each of the Licensors and Licensee.

(ii) *Exclusive License Agreement for Provisional Patent No. 2 Signed on December 11, 2010*

Grant of License

An exclusive license agreement ("Exclusive License Agreement") was made and entered into on December 11, 2010, by and between Scot L. Johnson ("Johnson" or referred to herein as "Licensor"), and Psoria-Shield Inc. ("PSI" or "Licensee").

Upon the execution of the Exclusive License Agreement, Licensee acquired, and Licensor granted to Licensee, for the duration of the License Term (as defined below), the sole and exclusive (including to the exclusion of Licensor), worldwide, paid-up, royalty-free right and license under the Licensed Patents, Know-how, Technical Data, and any Improvements as defined in the Exclusive License Agreement to develop, make, have made, use, sell, offer to sell, distribute, export, import, and otherwise commercialize the Licensed Product(s) in the Field. This license shall include the right of Licensee to grant sublicenses and distribution rights in the Field.

Consideration for License

As the sole and exclusive consideration for the rights and license granted in the Exclusive License Agreement, the Licensor received, on the date of signing, 5,000 shares of the common stock of the Licensee, which was valued at the stockholder' s cost basis of $5,000.

License Term

The term of the rights and licenses granted herein shall commence upon the date of signing of the Exclusive License Agreement and shall continue in effect in perpetuity unless and to the extent terminated as set forth in Sections 5.2 through 5.4 of the License Term of the Exclusive License Agreement.

The License may be terminated at any time by the mutual written agreement of each of the Licensors and Licensee.

Summary of Exclusive Licenses

Exclusive licenses, stated at cost, less accumulated amortization, consisted of the following:

	Estimated Useful Life (Years)	September 30, 2011	September 30, 2011
Exclusive licenses	20	$ 5,000	$ 5,000
Less accumulated amortization		(375)	(188)
		$ 4,625	$ 4,812

Amortization Expense

Amortization expense for the interim period ended June 30, 2012 and 2011 was $187 and $125, respectively.

Note 7 – Related Party Transactions

Related Parties

Related parties with whom the Company had transactions are:

Related Parties	Relationship
Scot Johnson	President and Chief Executive Officer
Edwin T. Longo	Significant stockholder

Advances from Stockholders

From time to time, Stockholders of the Company advance funds to the Company for working capital purpose. Those advances are unsecured, non-interest bearing and due on demand.

Note 8 – Commitments and Contingencies

Operating Lease

On January 4, 2011 the Company entered into a non-cancellable lease for office space of approximately 3,050 square feet of rentable area in Tampa, Florida with a third party for a period of 12 months from the date of signing at $3,000 per month plus tax and common charges.

On January 4, 2012 the Company renewed the non-cancellable lease for an additional 12 months expiring January 3, 2013 with the same terms and conditions

Future minimum lease payments inclusive of related tax required under the non-cancelable operating lease are as follows:

Fiscal year ending September 30:	
2012 (remainder of the fiscal year)	$ 28,890
2013	9,630
	$ 38,520

Note 9 – Stockholders' Equity (Deficit)

Shares Authorized

Upon formation the total number of shares of all classes of stock which the Company is authorized to issue is Ten Million (10,000,000) shares of which Ten Million (10,000,000) shares shall be Common Stock, no par value.

Common Stock

Issuance of Common Stock per Exclusive License Agreements

Prior to August 25, 2009, the Company was inactive.

On August 25, 2009 the Company entered into an exclusive license agreement ("Exclusive License Agreement") for Provisional Patent No. 1 with and issued to the Company' s founders 6,000,000 shares of its common stock valued at the cost basis of the Company' s founders of nil.

On December 11, 2010 the Company entered into an exclusive license agreement ("Exclusive License Agreement") for Provisional Patent No. 2 with and issued to the Company' s president and chief executive officer 5,000 shares of its common stock valued at the stockholder' s cost basis of $5,000.

Sale of Common Stock

During the period from December 8, 2009 through August 30, 2010 the Company issued 573,797 shares of its common stock for cash at $1.00 per share or $573,797 in aggregate. The Company incurred $35,000 in legal cost in connection with the sale and issuance of its common stock.

On November 4, 2010 the Company issued 200,000 shares of its common stock for cash at $1.00 per share or $200,000.

During the period from January 20, 2010 through September 14, 2011 the Company issued 380,500 shares of its common stock for cash at $2.00 per share or $761,000 in aggregate. The Company incurred $17,833 in legal cost in connection with the sale and issuance of its common stock.

During the period from October 1, 2011 through November 30, 2011 the Company issued 92,500 shares of its common stock for cash at $2.00 per share or $185,000 in aggregate. The Company incurred $30,000 in legal cost in connection with the sale and issuance of its common stock.

Treasury Stock (Repurchase and Reissuance of Common Stock)

(i) *Repurchase of Common Stock*

On May 4, 2012, the Company entered into a termination and redemption agreement ("Termination and Redemption Agreement") with Mr. Edwin Longo upon Mr. Longo' s resignation, whereby the Company acquired 2,000,000 shares of its common stock ("Redeemed Shares") in cash at $0.05 per share for $100,000 ("Redemption Price"). The Redemption Price shall be paid by the Company to Mr. Longo in installments on a schedule and in amounts determined from time to time by the Board (each such payment, a "Redemption Payment"). Each Redemption Payment shall be paid by the Company to Mr. Longo in cash or by check at such times and in such amounts as determined from time to time by the Board.

(ii) *Reissuance of Common Stock*

During the period from May 4, 2012 through June 15, 2012 the Company issued 240,000 shares of its treasury stock for cash at $0.30 per share or $72,000 in aggregate, $12,000 and $60,000 were recorded as common stock and additional paid-in capital, respectively.

During the period from July 3, 2012 through August 17, 2012 the Company issued 233,333 shares of its treasury stock for cash at $0.30 per share or $70,000 in aggregate, $11,667 and $58,333 were recorded as common stock and additional paid-in capital, respectively.

During the period from July 3, 2012 through August 17, 2012 the Company issued 1,526,667 shares of its treasury stock for services valued at cost of $0.05 per share or $76,333 in aggregate, which were recorded as common stock and consulting fees, respectively.

Issuance of Common Stock to Parties Other Than Employees for Acquiring Goods or Services

During the period from December 8, 2009 through August 30, 2010 the Company issued 70,000 shares of its common stock for services valued at $1.00 per share or $70,000 in aggregate.

During the period from January 20, 2011 through September 14, 2011 the Company issued 235,000 shares of its common stock for services valued at $2.00 per share or $470,000 in aggregate.

During the period from May 4, 2012 through August 17, 2012 the Company issued 130,000 shares of its common stock for services valued at $0.30 per share or $39,000 in aggregate.

2010 Stock Option Plan as Amended

Adoption of 2010 Non-Qualified Stock Option Plan ("2010 Stock Option Plan")

On December 20, 2010, the Company' s board of directors approved the adoption of the "2010 Non-Qualified Stock Option Plan" ("2010 Stock Option Plan") by unanimous consent. The 2010 Option Plan was initiated to encourage and enable officers, directors, consultants, advisors and key employees of the Company to acquire and retain a proprietary interest in the Company by ownership of its common stock. A total of 1,000,000 of the authorized shares of the Company' s common stock may be subject to, or issued pursuant to, the terms of the plan.

The Company' s policy is to recognize compensation cost for awards with only service conditions and a graded vesting schedule on a straight-line basis over the requisite service period for the entire award. Additionally, the Company' s policy is to issue new shares of common stock to satisfy stock option exercises.

2012 Amendment to the 2010 Stock Option Plan

On February 22, 2012, the Company' s Board of Directors adopted and approved the Amended and Restated 2010 Stock Option Plan to increase the number of shares of the Company' s common stock available for issuance thereunder from 1,000,000 shares to 1,500,000 shares of the Company' s common stock (the "Amended and Restated 2010 Stock Option Plan").

December 22, 2010 Issuance

On December 22, 2010, the Company granted (i) options to purchase 450,000 shares of its common stock with an exercise price of $1.00 per share expiring ten (10) years from the date of grant to its employees for their services; and (ii) an option to purchase 300,000 shares of its common stock with an exercise price of $1.00 per share expiring ten (10) years from the date of grant to a consultant and a member of its Medical Advisory Board as part of his professional services.

The stock options were valued on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	December 22, 2010	December 22, 2010
	Board of Directors and Employees	Non-employees
Expected life (year)	5	10
Expected volatility (*)	63.51%	63.51%
Expected annual rate of quarterly dividends	0.00%	0.00%
Risk-free rate(s)	2.09%	2.09%

* As a privately-held entity it is not practicable for the Company to estimate the expected volatility of its share price. The Company selected five (5) comparable public companies listed on NYSE MKT and NASDAQ Capital Market within medical device industry which the Company plans to engage in to calculate the expected volatility. The Company calculated those five (5) comparable companies' historical volatility over the expected life and averaged them as its expected volatility.

The Company estimated the fair value of the stock options on the date of grant using the Black-Scholes Option Pricing Model at $246,150 and $171,420, or $417,570 in aggregate, which were recorded as additional paid-in capital and employee compensation and consulting fees, respectively.

February 22, 2012 Issuance

On February 22, 2012, the Company granted (i) options to purchase 410,000 shares of its common stock with an exercise price of $2.00 per share expiring ten (10) years from the date of grant to its employees for their services; and (ii) an option to purchase 240,000 shares of its common stock with an exercise price of $2.00 per share expiring ten (10) years from the date of grant to a consultant and a member of its Medical Advisory Board as part of his professional services.

The stock options were valued on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	February 22, 2012	February 22, 2012
	Board of Directors and Employees	Non-employees
Expected life (year)	5	10
Expected volatility (*)	66.43%	66.43%
Expected annual rate of quarterly dividends	0.00%	0.00%
Risk-free rate(s)	2.01%	2.01%

* As a privately-held entity it is not practicable for the Company to estimate the expected volatility of its share price. The Company selected five (5) comparable public companies listed on NYSE MKT and NASDAQ Capital Market within nutritional supplements industry which the Company plans to engage in to calculate the expected volatility. The Company calculated those five (5) comparable companies' historical volatility over the expected life and averaged them as its expected volatility.

The Company estimated the fair value of the stock options on the date of grant using the Black-Scholes Option Pricing Model at $463,382 and $282,000, or $745,382 in aggregate, which were recorded as additional paid-in capital and employee compensation and consulting fees, respectively.

Summary of the Company's Stock Option Activities

The table below summarizes the Company's stock option activities:

	Number of Option Shares	Exercise Price Range Per Share	Weighted Average Exercise Price	Fair Value at Date of Grant	Aggregate Intrinsic Value
		$	$		$
Balance, September 30, 2010	-	-	-	-	-
Granted	750,000	1.00	1.00	417,570	-
Canceled	-	-	-		-
Exercised	-	-	-		-
Expired	-	-	-		-
Balance, September 30, 2011	750,000	1.00	1.00	417,570	-
Granted	650,000	2.00	2.00	745,382	-
Canceled	-	-	-		-
Exercised	-	-	-		-
Expired	-	-	-		-
Balance, September 30, 2012	1,400,000	$ 1.46	$ 1.46	$ 1,162,952	$ -
Vested and exercisable, September 30, 2012	1,400,000	$ 1.46	$ 1.46	$ 1,162,952	$ -
Unvested, September 30, 2012	-	$ -	$ -	$ -	$ -

The following table summarizes information concerning outstanding and exercisable options as of September 30, 2012:

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Number Outstanding	Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
$1.00	750,000	8.20	$ 1.00	750,000	8.20	$ 1.00
$2.00	650,000	9.40	2.00	650,000	9.40	2.00
$1.00 - 2.00	1,400,000	8.76	$ 1.46	1,400,000	8.76	$ 1.46

As of September 30, 2012, there were 100,000 shares of stock options remaining available for issuance under the 2010 Stock Option Plan.

Additional Paid-in Capital

The Company's founders expended start up expenses of $17,000 through the formation of the Company, which was contributed to the Company as additional paid-in capital upon formation.

Note 10 – Subsequent Events

The Company has evaluated all events that occurred after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were certain reportable subsequent events to be disclosed as follows:

Acquisition of Psoria-Shield Inc. by Wellness Center USA, Inc.

On June 21, 2012, Wellness Center USA, Inc. ("WCUI") entered into an Exchange Agreement ("Exchange Agreement") to acquire all of the issued and outstanding shares of capital stock of PSI. On August 24, 2012, WCUI consummated the share exchange and acquired all of the issued and outstanding shares of stock in PSI for and in consideration of the issuance of 7,686,797 shares of WCUI's common stock pursuant to the Exchange Agreement. The 7,686,797 common shares issued in connection with the share exchange represent 25.3% of the 30,391,570 shares of issued and outstanding common stock of WCUI as of the closing of the share exchange under the Exchange Agreement. PSI is now operated as a wholly-owned subsidiary of WCUI.

Wellness Center USA, Inc.

CNS Wellness Florida, LLC
and
Psoria-Shield Inc.

Index to the Pro Forma Combined Financial Statements

(Unaudited)

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Wellness Center USA, Inc.

Pro Forma Combined Balance Sheet
June 30, 2012
(Unaudited)

	Historical				Pro Forma	
	Wellness Center USA, Inc.	CNS Wellness Florida, LLC	Psoria-Shield Inc.		Adjustments	Combined
ASSETS						
CURRENT ASSETS:						
Cash	$ 37,048	$ 8,798	$ 768		$ -	$ 46,614
Inventories	-	-	14,562		-	14,562
Total current assets	37,048	8,798	15,330		-	61,176
PROPERTY AND EQUIPMENT						
Property and equipment	1,792	44,929	125,508		-	172,229
Accumulated depreciation	(597)	(26,470)	(44,098)		-	(71,165)
Property and equipment, net	1,195	18,459	81,410		-	101,064
EXCLUSIVE LICENSES						
Exclusive licenses	-	-	5,000		-	5,000
Accumulated amortization	-	-	(375)		-	(375)
Exclusive licenses, net	-	-	4,625		-	4,625
WEBSITE DEVELOPMENT COST						
Website development cost	17,809	-	-		-	17,809
Accumulated amortization	(1,402)	-	-		-	(1,402)
Website development cost, net	16,407	-	-		-	16,407
TRADE MARKS						
Trade marks	-	-	-	(1)	110,000	740,000
	-	-	-	(5)	210,000	
	-	-	-	(5)	420,000	
Accumulated amortization	-	-	-	(2)	(12,222)	(102,222)
	-	-	-	(6)	(30,000)	
	-	-	-	(7)	(60,000)	
Trade mark, net	-	-	-		637,778	637,778
ACQUIRED TECHNOLOGY						
Acquired technology	-	-	-	(1)	325,000	2,420,000
	-	-	-	(5)	2,095,000	
Accumulated amortization	-	-	-	(3)	(16,250)	(121,000)
	-	-	-	(8)	(104,750)	
Acquired technology, net	-	-	-		2,299,000	2,299,000
NON-COMPETE AGREEMENTS						
Non-compete agreements	-	-	-	(1)	120,000	240,000
	-	-	-	(5)	120,000	
Accumulated amortization	-	-	-	(4)	(40,000)	(70,000)
	-	-	-	(9)	(30,000)	
Non-compete agreements, net	-	-	-		170,000	170,000
OTHER ASSETS						
Goodwill	-	-	-	(1)	2,862,969	4,607,055
	-	-	-	(5)	1,744,086	
Security deposit	-	36,939	1,760		-	38,699
Total other assets	-	36,939	1,760		4,607,055	4,645,754
Total Assets	$ 54,650	$ 64,196	$ 103,125		$ 7,713,833	$ 7,935,804

Wellness Center USA, Inc.

Pro Forma Combined Balance Sheet
June 30, 2012
(Unaudited)

(Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)						
CURRENT LIABILITIES:						
Accounts payable	$ 180	$ 30,424	$ 179,124		$ -	$ 209,728
Accrued interest - related party	-	3,516	-		-	3,516
Credit card payable	-	66,855	42,840		-	109,695
Current portion of deferred rent	-	11,363	-		-	11,363
Current portion of long-term payable	-	-	72,653		-	72,653
Customer deposits	-	-	25,000		-	25,000
Accrued warranty	-	-	9,600		-	9,600
Payroll liabilities	-	3,057	-		-	3,057
Loan payable	-	-	20,000		-	20,000
Note payable - related parties	-	37,139	-		-	37,139
Advances from related parties	36,375	197,608	237,994		-	471,977
Accrued expenses and other current liabilities	650	-	-		-	650
Total current liabilities	37,205	349,962	587,211		-	974,378
NON-CURRENT LIABILITIES						
Non-current liabilities	-	32,203	-		-	32,203
Total non-current liabilities	-	32,203	-		-	32,203
Total liabilities	37,205	382,165	587,211		-	1,006,581
COMMITMENTS AND CONTENGENCIES						
STOCKHOLDERS' EQUITY (DEFICIT):						
Common stock: $0.001 par value; 74,000,000 shares authorized; 15,367,273 shares issued and outstanding 30,354,070 shares issued and outstanding - Pro Forma	15,367	-	-	(1)	7,300	30,354
	-	-	-	(5)	7,687	
Additional paid-in capital	291,037	-	3,333,916	(1)	3,092,700	7,481,050
	-	-	-	(5)	4,097,313	
	-	-	-	(5)	(3,333,916)	
Members' capital	-	(51,092)	-	(1)	51,092	
Accumulated deficit	(288,959)	(266,877)	(3,818,002)	(1)	266,877	(582,181)
	-	-	-	(5)	3,818,002	
	-	-	-	(2)(3)(4)	(68,472)	
	-	-	-	(6)(7)(8)(9)	(224,750)	
Total Stockholders' Equity (Deficit)	17,445	(317,969)	(484,086)		7,713,833	6,929,223
Total Liabilities and Stockholders' Equity (Deficit)	$ 54,650	$ 64,196	$ 103,125		$ 7,713,833	$ 7,935,804

(1) To reflect issuance of 7,300,000 shares of WCUI's common stock to the members of CNS for the acquisition of all of the issued and outstanding limited liability company interests in CNS upon acquisition of CNS.
(2) To amortize the fair value of trade mark over the estimated useful life of nine (9) years.
(3) To amortize the fair value of acquired technology over the estimated useful life of 20 years.
(4) To amortize the fair value of non-compete agreements over the estimated useful lives of three (3) years.

(5) To reflect issuance of 7,686,797 shares of WCUI's common stock to the stockholders of PSI for the acquisition of all of the issued and outstanding common stock of PSI upon acquisition of PSI.
(6) To amortize the fair value of trade mark - Psoria-Shield over the estimated useful life of seven (7) years.
(7) To amortize the fair value of trade mark - Psoria-Light over the estimated useful life of seven (7) years.
(8) To amortize the fair value of acquired technology over the estimated useful life of 20 years.
(9) To amortize the fair value of non-compete agreement over the estimated useful life of four (4) years.

See accompanying notes to the pro forma combined financial statements.

Wellness Center USA, Inc.

Pro Forma Combined Statement of Operations
For the Nine Months Ended June 30, 2012
(Unaudited)

	Historical				Pro Forma	
	Wellness Center USA, Inc.	CNS Wellness Florida, LLC	Psoria-Shield Inc.			
	For the Nine Months Ended June 30, 2012	For the Nine Months Ended June 30, 2012	For the Nine Months Ended June 30, 2012		Adjustments	Combined
NET REVENUES	$ 1,187	$ 223,540	$ 91,000		$ -	$ 315,727
COST OF SALES	837	-	59,289		-	60,126
GROSS PROFIT	350	223,540	31,711		-	255,601
OPERATING EXPENSES:						
Amortization	-	-	-	(2)(3)(4)	51,354	219,917
	-	-	-	(6)(7)(8)(9)	168,563	
Consulting fees	22,066	-	-		-	22,066
Payroll expenses and contract labor	-	99,275	527,878		-	627,153
Payroll expenses - officers	-	10,000	51,000		-	61,000
Professional fee	59,181	-	297,427		-	356,608
Rent expenses	18,912	101,213	32,100		-	152,225
Research and development expense	-	-	70,284		-	70,284
Selling expenses	-	13,526	174,717		-	188,243
General and administrative	36,924	73,670	237,051		-	347,645
Total Operating Expenses	137,083	297,684	1,390,457		219,917	2,045,141
LOSS FROM OPERATIONS	(136,733)	(74,144)	(1,358,746)		(219,917)	(1,789,540)
OTHER (INCOME) EXPENSE:						
Interest expense	-	-	6,981		-	6,981
Interest expense - related party	-	1,394	-		-	1,394
Other (income) expense	-	6,983	-		-	6,983
Other (income) expense, net	-	8,377	6,981		-	15,358
LOSS BEFORE INCOME TAX PROVISION AND NONCONTROLLING INTEREST	(136,733)	(82,521)	(1,365,727)		(219,917)	(1,804,898)
INCOME TAX PROVISION	-	-	-		-	-
LOSS BEFORE NONCONTROLLING INTEREST	(136,733)	(82,521)	(1,365,727)		(219,917)	(1,804,898)
NONCONTROLLING INTEREST	-	-	-		-	-
NET LOSS	$ (136,733)	$ (82,521)	$ (1,365,727)		$ (219,917)	$ (1,804,898)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED:	$ (0.01)				$ (0.01)	$ (0.06)
Weighted average common shares outstanding - basic and diluted	15,122,726			(1)	7,300,000	22,422,726
	-			(5)	7,686,797	7,686,797
	15,122,726				14,986,797	30,109,523

(1) To reflect issuance of 7,300,000 shares of WCUI's common stock to the members of CNS for the acquisition of all of the issued and outstanding limited liability company interests in CNS upon acquisition of CNS.
(2) To amortize the fair value of trade mark over the estimated useful lives of nine (9) years.
(3) To amortize the fair value of purchased technology over the estimated useful lives of 20 years.
(4) To amortize the fair value of non-compete agreements over the estimated useful lives of three (3) years.
(5) To reflect issuance of 7,686,797 shares of WCUI's common stock to the stockholders of PSI for the acquisition of all of the issued and outstanding common stock of PSI upon acquisition of PSI.
(6) To amortize the fair value of trade mark - Psoria-Shield over the estimated useful life of seven (7) years.
(7) To amortize the fair value of trade mark - Psoria-Light over the estimated useful life of seven (7) years.
(8) To amortize the fair value of acquired technology over the estimated useful life of 20 years.
(9) To amortize the fair value of non-compete agreement over the estimated useful life of four (4) years.

See accompanying notes to the pro forma combined financial statements.

Wellness Center USA, Inc.

Pro Forma Combined Statement of Operations
For the Fiscal Year Ended September 30, 2011
(Unaudited)

	Historical			Pro Forma		
	Wellness Center USA, Inc.	CNS Wellness Florida, LLC	Psoria-Shield Inc.			
	For the Fiscal Year Ended September 30, 2011	For the Fiscal Year Ended September 30, 2011	For the Fiscal Year Ended September 30, 2011		Adjustments	Combined
NET REVENUES	$ 312	$ 277,670	$ -		$ -	$ 277,982
COST OF SALES	314	-	-		-	314
GROSS PROFIT	(2)	277,670	-		-	277,668
OPERATING EXPENSES:						
Amortization	-	-	-	(2)(3)(4)	68,472	293,222
			-	(6)(7)(8)(9)	224,750	
Consulting fees	13,913	-	-		-	13,913
Payroll expenses and contract labor	-	198,804	284,646		-	483,450
Payroll expenses - officers	-	-	138,120		-	138,120
Professional fee	59,335	-	687,160		-	746,495
Rent expenses	21,489	114,448	32,772		-	168,709
Research and development expense	-	-	237,368		-	237,368
Selling and marketing expense	-	99,829	176,950		-	276,779
General and administrative	14,447	109,401	315,610		-	439,458
Total Operating Expenses	109,184	522,482	1,872,626		293,222	2,797,514
LOSS FROM OPERATIONS	(109,186)	(244,812)	(1,872,626)		(293,222)	(2,519,846)
OTHER (INCOME) EXPENSE:						
Interest expense	-	-	2,665		-	2,665
Interest expense - related party	-	1,857	-		-	1,857
Other (income) expense	-	7,948	-		-	7,948
Other (income) expense, net	-	9,805	2,665		-	12,470
LOSS BEFORE INCOME TAX PROVISION AND NONCONTROLLING INTEREST	(109,186)	(254,617)	(1,875,291)		(293,222)	(2,532,316)
INCOME TAX PROVISION	-	-	-		-	-
LOSS BEFORE NONCONTROLLING INTEREST	(109,186)	(254,617)	(1,875,291)		(293,222)	(2,532,316)
NONCONTROLLING INTEREST	-	-	-		-	-
NET LOSS	$ (109,186)	$ (254,617)	$ (1,875,291)		$ (293,222)	$ (2,532,316)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED:	$ (0.01)				$ (0.02)	$ (0.09)
Weighted average common shares outstanding - basic and diluted	13,125,860			(1)	7,300,000	20,425,860
	-			(5)	7,686,797	7,686,797
	13,125,860				14,986,797	28,112,657

(1) To reflect issuance of 7,300,000 shares of WCUI's common stock to the members of CNS for the acquisition of all of the issued and outstanding limited liability company interests in CNS upon acquisition of CNS.
(2) To amortize the fair value of trade mark over the estimated useful lives of nine (9) years.
(3) To amortize the fair value of purchased technology over the estimated useful lives of 20 years.
(4) To amortize the fair value of non-compete agreements over the estimated useful lives of three (3) years.

(5) To reflect issuance of 7,686,797 shares of WCUI's common stock to the stockholders of PSI for the acquisition of all of the issued and outstanding common stock of PSI upon acquisition of PSI.
(6) To amortize the fair value of trade mark - Psoria-Shield over the estimated useful life of seven (7) years.
(7) To amortize the fair value of trade mark - Psoria-Light over the estimated useful life of seven (7) years.
(8) To amortize the fair value of acquired technology over the estimated useful life of 20 years.
(9) To amortize the fair value of non-compete agreement over the estimated useful life of four (4) years.

See accompanying notes to the pro forma combined financial statements.

Wellness Center USA, Inc.

CNS Wellness Florida, LLC
and
Psoria-Shield Inc.

As of and for the nine months ended June 30, 2012
and
As of and for the fiscal year ended September 30, 2011

Notes to the Pro Forma Combined Financial Statements

(Unaudited)

Note 1 - Organization and Operations

Wellness Center USA, Inc.

Wellness Center USA, Inc. ("WCUI" or the "Company") was incorporated on September 30, 2010 under the laws of the State of Nevada. The Company engages in online sports and nutrition supplements marketing and distribution.

Acquisition of CNS Wellness Florida, LLC

On May 30, 2012, Wellness Center USA, Inc. ("WCUI" or the "Company") entered into an Exchange Agreement ("Exchange Agreement") to acquire all of the limited liability company interests in CNS-Wellness Florida, LLC ("CNS"), a Tampa, Florida-based cognitive neuroscience company specializing in the treatment of brain-based behavioral health disorders including developmental, emotional and stress-related problems.

On August 2, 2012, the Company consummated the Exchange Agreement and acquired all of the issued and outstanding limited liability company interests in CNS for and in consideration of the issuance of 7.3 million shares of the Company' s common stock pursuant to the Exchange Agreement. The 7.3 million common shares issued in connection with the share exchange represent 32.2% of the 22,704,773 shares of issued and outstanding common stock of the Company as of the closing of the share exchange under the Exchange Agreement. CNS is now operated as a wholly-owned subsidiary of the Company.

CNS Wellness Florida, LLC, the Successor of Cognitive Neuro Sciences, Inc.

Cognitive Neuro Sciences, Inc., (the "CNS Predecessor") was incorporated on March 14, 2006 under the laws of the State of Florida. The CNS Predecessor specialized in the treatment of brain-based behavioral health disorders including developmental, emotional and stress-related problems. On May 26, 2009, the stockholders of CNS Predecessor decided to dissolve CNS Predecessor and form a Limited Liability Company ("LLC") to carry-on the business of CNS Predecessor.

CNS Wellness Florida, LLC ("CNS") was formed on May 26, 2009 under the laws of the State of Florida. The sole purpose of CNS was to carry-on the business of CNS Predecessor in the form of an LLC. The assets and liabilities of CNS Predecessor were carried forward to CNS and recorded at the historical cost on the date of conversion.

Acquisition of Psoria-Shield Inc.

On June 21, 2012, the Company entered into an Exchange Agreement ("Exchange Agreement") to acquire all of the issued and outstanding shares of capital stock in Psoria-Shield Inc. ("PSI"), a Tampa, Florida-based developer and manufacturer of Ultra Violet ("UV") phototherapy devices for the treatment of skin diseases, for and in consideration of the issuance of 7,686,797 shares of common stock in the Company.

On August 24, 2012, the Company consummated the share exchange and acquired all of the issued and outstanding shares of stock in PSI for and in consideration of the issuance of 7,686,797 shares of its common stock pursuant to the Exchange Agreement. The 7,686,797 common shares issued in connection with the share exchange represent 25.3% of the 30,354,070 shares of issued and outstanding common stock of the Company as of the closing of the share exchange under the Exchange Agreement. PSI is now operated as a wholly-owned subsidiary of the Company.

Psoria-Shield Inc.

Psoria-Shield Inc. ("PSI") was incorporated on June 17, 2009 under the laws of the State of Florida. PSI engages in the business of research and development, manufacturing, and marketing and distribution of Ultra Violet ("UV") phototherapy devices for the treatment of skin diseases.

NOTE 2 - Basis of Pro Forma Presentation

Business Combinations

The Company applies Topic 805 *"Business Combinations"* of the FASB Accounting Standards Codification (formerly Statement of Financial Accounting Standards No. 141 (R) *"Business Combinations"* ("SFAS No. 141(R)")) for transactions that represent business combinations to be accounted for under the acquisition method. Pursuant to ASC Paragraph 805-10-25-1 in order for a transaction or other event to be considered as a business combination it is required that the assets acquired and liabilities assumed constitute a business. Upon determination of transactions representing business combinations the Company then (i) identifies the accounting acquirer; (ii) identifies and estimates the fair value of the identifiable tangible and intangible assets acquired, separately from goodwill; (iii) estimates the business enterprise value of the acquired entities; (iv) allocates the purchase price of acquired entities to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values at the date of acquisition. The excess of the liabilities assumed and the purchase price over the assets acquired was recorded as goodwill and the excess of the assets acquired over the liabilities assumed and the purchase price was recorded as a gain from bargain purchase.

Acquisition of CNS Wellness Florida, LLC

Identification of the Accounting Acquirer

The Company used the existence of a controlling financial interest to identify the acquirer−the entity that obtains control of the acquiree in accordance with ASC paragraph 805-20-25-5 and identifies the acquisition date, which is the date on which it obtains control of the acquiree in accordance with ASC paragraph 805-20-25-6. The management of the Company specifically addressed (i) the ownership interest of each party after the acquisition; (ii) the members of the board of directors from both companies; and (iii) senior management from both companies and determined that Wellness Center USA, Inc. was the accounting acquirer for the merger between Wellness Center USA, Inc. and CNS Wellness Florida, LLC.

The specific control factors considered to determine which entity was the accounting acquirer are as follows:

(i) The ownership interest of each party after the acquisition		
WCUI's common shares issued and outstanding prior to CNS acquisition	15,367,273	67.8%
WCUI's common shares issued to the members of CNS for the acquisition of all of the issued and outstanding limited liability company interests in CNS upon acquisition of CNS	7,300,000	32.2%
	22,667,273	100.0%
(ii) The members of the board of directors from both companies		
The members of the board of directors from WCUI prior to CNS acquisition	3	60.0%
The members of the board of directors from CNS upon acquisition of CNS	2	40.0%
	5	100.0%
(iii) Senior management from both companies		
Senior management from WCUI prior to CNS acquisition	1	100.0%
Senior management from CNS upon acquisition of CNS	-	-%

	1	100.0%

Intangible Assets Identification, Estimated Fair Value and Useful Lives

With the assistance of the third party valuation firm, the Company identified certain separate recognizable intangible assets that possessed economic value, estimated their fair values and related useful lives of CNS at the date of acquisition as follows:

	Estimated Useful Life (Years)	August 2, 2012
Trademark/Trade Name	9	$ 110,000
Unpatented Technology	20	325,000
Non-Competition Agreement	3	120,000
Total Recognized Intangible Assets		$ 555,000

Business Enterprise Valuation

With the assistance of the third party valuation firm, the Company estimated the indicated value of the total invested operating capital of CNS at the date of acquisition utilizing the income approach – discounted cash flows method, was $3,100,000, as follows:

	August 2, 2012
Present Value of Debt-Free Net Cash Flow - Forecast Period	$ 807,921
Present Value of Debt-Free Net Cash Flow - Residual Period	2,287,246
Present Value of Debt-Free Net Cash Flow – Total	3,095,167
Value Indication Income Approach - Discounted Net Cash Flow Method (Rounded)	$ 3,100,000

Allocation of Purchase Price

The purchase price of CNS has been allocated to the tangible and intangible assets acquired and liabilities assumed, and any non-controlling interest in the CNS based on their estimated fair values at the date of acquisition as follows:

	Book Value	Fair Value Adjustment	Fair Market Value
Cash	$ 11,713	$ -	$ 11,713
Property and equipment	18,459		18,459
Trade mark	-	110,000	110,000
Unpatented technology	-	325,000	325,000
Non-compete agreements	-	120,000	120,000
Goodwill	323,045	2,545,000	2,868,045
Security deposits	36,939		36,939
Accounts payable	(41,957)		(41,957)
Accrued interest - related party	(3,516)		(3,516)
Credit cards payable	(66,008)		(66,008)
Payroll liability	(2,709)		(2,709)
Current portion of deferred rent	(11,363)		(11,363)
Advances from related parties	(196,208)		(196,208)
Note payable - related party	(37,139)		(37,139)
Deferred rent, net of current portion	(31,256)		(31,256)
Total	-	3,100,000	3,100,000
Non-controlling interest	(-)	-	(-)
Purchase price	$ -	$ 3,100,000	$ 3,100,000

Acquisition of Psoria-Shield Inc.

Identification of the Accounting Acquirer

The Company used the existence of a controlling financial interest to identify the acquirer−the entity that obtains control of the acquiree in accordance with ASC paragraph 805-20-25-5 and identifies the acquisition date, which is the date on which it obtains control of the acquiree in accordance with ASC paragraph 805-20-25-6. The management of the Company specifically addressed (i) the ownership interest of each party after the acquisition; (ii) the members of the board of directors from both companies; and (iii) senior management from both companies and determined that Wellness Center USA, Inc. was the accounting acquirer for the merger between Wellness Center USA, Inc. and Psoria-Shield Inc.

The specific control factors considered to determine which entity was the accounting acquirer are as follows:

(i) The ownership interest of each party after the acquisition		
WCUI's common shares issued and outstanding prior to PSI acquisition	22,667,273	74.7%
WCUI's common shares issued to the stockholders of PSI for the acquisition of all of the issued and outstanding common stock of PSI upon acquisition of PSI	7,686,797	25.3%
	22,667,273	100.0%
(ii) The members of the board of directors from both companies		
The members of the board of directors from WCUI prior to PSI acquisition	5	83.3%
The members of the board of directors from PSI upon acquisition of PSI	1	16.7%
	6	100.0%
(iii) Senior management from both companies		
Senior management from WCUI prior to CNS acquisition	1	100.0%
Senior management from CNS upon acquisition of CNS	-	-%
	1	100.0%

Intangible Assets Identification, Estimated Fair Value and Useful Lives

With the assistance of the third party valuation firm, the Company identified certain separate recognizable intangible assets that possessed economic value, estimated their fair values and related useful lives of PSI at the date of acquisition as follows:

	Estimated Useful Life (Years)	August 24, 2012
Trademark - Psoria-Shield	7	$ 210,000
Trademark - Psoria-Light	6	$ 420,000
Unpatented Technology	20	2,095,000
Non-Competition Agreement	4	120,000
Total Recognized Intangible Assets		$ 2,845,000

Business Enterprise Valuation

With the assistance of the third party valuation firm, the Company estimated the indicated value of the total invested operating capital of PSI at the date of acquisition utilizing the income approach – discounted cash flows method, was $4,105,000, as follows:

	August 24, 2012
Present Value of Debt-Free Net Cash Flow - Forecast Period	$ 2,205,360
Present Value of Debt-Free Net Cash Flow - Residual Period	1,899,261
Present Value of Debt-Free Net Cash Flow – Total	4,104,622
Value Indication Income Approach - Discounted Net Cash Flow Method (Rounded)	$ 4,105,000

Allocation of Purchase Price

The purchase price of PSI has been allocated to the tangible and intangible assets acquired and liabilities assumed, and any non-controlling interest in the PSI based on their estimated fair values at the date of acquisition as follows:

	Book Value	Fair Value Adjustment	Fair Market Value
Cash	$ 11,413	$ -	$ 11,413
Inventories	12,694		12,694
Property and equipment	80,956		80,956
Exclusive licenses	4,562		4,562
Trade mark - Psoria-Shield	-	210,000	210,000
Trade mark - Psoria-light	-	420,000	420,000
Unpatented technology	-	2,095,000	2,095,000
Non-compete agreements	-	120,000	120,000
Goodwill	453,270	1,260,000	1,713,260
Security deposits	1,760		1,760
Accounts payable	(161,821)		(161,821)
Credit cards payable	(42,198)		(42,198)
Customer deposits	(25,000)		(25,000)
Accrued warranty	(9,600)		(9,600)
Current portion of long-term payable	(72,653)		(72,653)
Loan payable	(20,000)		(20,000)
Advances from stockholders	(233,994)		(233,994)
Total	-	4,105,000	4,105,000
Non-controlling interest	(-)	-	(-)
Purchase price	$ -	$ 4,105,000	$ 4,105,000

Assumptions of Pro Forma Combined Financial Statements

The accompanying pro forma combined balance sheet as of June 30, 2012 and the pro forma combined statements of operations for the nine months ended June 30, 2012 and for the fiscal year ended September 30, 2011 are based on the historical financial statements of the Company and CNS and PSI after giving effect to WCUI' s acquisition of CNS and PSI using the acquisition method of accounting and applying the assumptions and adjustments described in the accompanying notes to the pro forma combined financial statements as if such acquisition had occurred as of September 30, 2011 for the balance sheet, and October 1, 2010 for statements of operations for pro forma financial statements purposes.

The pro forma combined financial statements have been prepared by management for illustrative purposes only and are not necessarily indicative of the combined financial position or combined results of operations in future periods or the results that actually would have been realized had the Company, CNS and PSI been a combined company during the specified periods. The pro forma adjustments are based on the preliminary information available at the time of the preparation of this document and assumptions that management believes are reasonable. The pro forma combined financial statements, including the notes thereto, are qualified in their entirety by reference to, and should be read in conjunction with the Company' s historical financial statements included in its Annual Report on Form 10-K for the fiscal year ended September 30, 2011 as filed with United States Securities and Exchange Commission ("SEC") on December 13, 2011 and in its Quarterly Report on Form 10-Q for the interim period ended June 30, 2012 as filed with SEC on August 20, 2012; CNS' s historical financial statements included in the Amendment No. 1 to the Current Report on Form 8-K/A1 for the fiscal year ended September 30, 2011 and for the interim period ended June 30, 2012 as Exhibits as filed with SEC on October 23, 2012; and PSI' s historical financial statements included elsewhere in the Amendment No. 1 to the Current Report on Form 8-K/A1 for the fiscal year ended September 30, 2011 and for the interim period ended June 30, 2012 as Exhibits as filed with SEC herewith.

The pro forma combined financial statements do not purport to represent what the results of operations or financial position of the Company would actually have been if the merger had in fact occurred on October 1, 2010, nor do they purport to project the results of operations or financial position of the Company for any future period or as of any date, respectively.

These pro forma combined financial statements do not give effect to any restructuring costs or to any potential cost savings or other operating efficiencies that could result from the merger between WCUI and CNS and CNS since such amounts, if any, are not presently determinable.

NOTE 3 - Pro Forma Adjustments

Acquisition of CNS Wellness Florida, LLC

The accompanying pro forma combined financial statements reflect the following pro forma adjustments:

1) To reflect issuance of 7,300,000 shares of WCUI's common stock to the members of CNS for the acquisition of all of the issued and outstanding limited liability company interests in CNS upon acquisition of CNS.

Common stock: $0.001 par value	(7,300)
Additional paid-in capital	(3,092,700)
Members' capital	(51,092)
Accumulated deficit	(266,877)
Trade mark	110,000
Acquired technology	325,000
Non-compete agreements	120,000
Goodwill	2,862,969

2) To amortize trade mark over the estimated useful life of nine (9) years.

Amortization	12,222
Accumulated amortization	(12,222)

3) To amortize acquired technology over the estimated useful life of 20 years.

Amortization	16,250
Accumulated amortization	(16,250)

4) To amortize non-compete agreements over the estimated useful lives of three (3) years.

Amortization	40,000
Accumulated amortization	(40,000)

Acquisition of Psoria-Shield Inc.

The accompanying pro forma combined financial statements reflect the following pro forma adjustments:

5) To reflect issuance of 7,686,797 shares of WCUI's common stock to the stockholders of PSI for the acquisition of all of the issued and outstanding common stock of PSI upon acquisition of PSI.	
Common stock: $0.001 par value	(7,687)
Additional paid-in capital	(4,097,313)
Capital stock	2,093,964
Additional paid-in capital	1,239,952
Accumulated deficit	(3,818,002)
Trade mark - Psoria-Shield	210,000
Trade mark - Psoria-Light	420,000
Acquired technology	2,095,000
Non-compete agreements	120,000
Goodwill	1,744,086
6) To amortize trade mark - Psoria-Shield over the estimated useful life of seven (7) years.	
Amortization	30,000
Accumulated amortization	(30,000)
7) To amortize trade mark - Psoria-Light over the estimated useful life of seven (7) years.	
Amortization	60,000
Accumulated amortization	(60,000)
8) To amortize acquired technology over the estimated useful life of 20 years.	
Amortization	104,750
Accumulated amortization	(104,750)
9) To amortize non-compete agreement over the estimated useful life of four (4) years.	
Amortization	30,000
Accumulated amortization	(30,000)